



புதுச்சேரி மாநில அரசிதழ்

La Gazette de L'État de Poudouchéry The Gazette of Puducherry

PART - I

சிறப்பு வெளியீடு

EXTRAORDINAIRE

EXTRAORDINARY

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வெளியீடு

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No. }	Puducherry	Monday	18th	April	2016

GOVERNMENT OF PUDUCHERRY LAW DEPARTMENT

No. 2721/2015-LD/Repub.

Puducherry, the 8th April 2016.

NOTIFICATION

The following Acts passed by the Parliament are hereby republished for general information of the public.

- The Constitution (One Hundredth Amendment) Act, 2015;
- The Citizenship (Amendment) Act, 2015 (Act No. 1 of 2015);
- The Public Premises (Eviction of Unauthorised Occupants) (Amendment) Act, 2015;
- The Constitution (Scheduled Castes) Orders (Amendment) Act, 2015;
- The Motor Vehicles (Amendment) Act, 2015 (Act No. 3 of 2015);
- The Insurance Laws (Amendment) Act, 2015 (Act No. 5 of 2015);

- (vii) The Coal Mines (Special Provisions) Act, 2015 (Act No. 11 of 2015);
- (viii) The Regional Rural Banks (Amendment) Act, 2015;
- (ix) The Warehousing Corporations (Amendment) Act, 2015 (Act No. 16 of 2016);
- (x) The Repealing and Amending Act, 2015 (Act No. 28 of 2016);
- (xi) The Mines and Minerals (Development and Regulation) Amendment Act, 2015;
- (xii) The Payment and Settlement Systems (Amendment) Act, 2015;
- (xiii) The Repealing and Amending (Second) Act, 2015;
- (xiv) The Finance Act, 2015;
- (xv) The Companies (Amendment) Act, 2015; and
- (xvi) The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.

(By order)

N. MURUGAVEL,
Under Secretary to Government (Law).

THE CONSTITUTION (ONE HUNDREDTH AMENDMENT) ACT, 2015

(AS PASSED BY THE HOUSES OF PARLIAMENT)

(28-5-2015)

AN

ACT

further to amend the Constitution of India to give effect to the acquiring of territories by India and transfer of certain territories to Bangladesh in pursuance of the agreement and its protocol entered into between me Governments of India and Bangladesh.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

Short title. **1.** This Act may be called the Constitution (One Hundredth Amendment) Act, 2015.

Definitions. **2.** In this Act,—

(a) “acquired territory” means so much of the territories comprised in the India-Bangladesh agreement and its protocol and referred to in the First Schedule as are demarcated for the purpose of being acquired by India from Bangladesh in pursuance

(b) “appointed day” means such date as the Central Government may, by notification in the Official Gazette, appoint as the date for acquisition of territories from Bangladesh and transfer of the territories to Bangladesh in pursuance of the India-Bangladesh agreement and its protocol, after causing the territories to be so acquired and transferred as referred to in the First Schedule and Second Schedule and demarcated for the purpose;

(c) "India-Bangladesh agreement" means the agreement between the Government of the Republic of India and the Government of the People's Republic of Bangladesh concerning the Demarcation of the Land Boundary between India and Bangladesh and Related Matters dated the 16th day of May, 1974, Exchange of Letters dated the 26th day of December, 1974, the 30th day of December, 1974, the 7th day of October, 1982, the 26th day of March, 1992 and protocol to the said agreement dated the 6th day of September, 2011, entered into between the Governments of India and Bangladesh, the relevant extracts of which are set out in the Third Schedule;

(d) "transferred territory", means so much of the territories comprised in the India-Bangladesh agreement and its protocol and referred to in the Second Schedule as are demarcated for the purpose of being transferred by India to Bangladesh in pursuance of the agreements and its protocol referred to in clause (c).

3. As from the appointed day, in the First Schedule to the Constitution,—

Amendment of
First Schedule to
Constitution.

(a) in the paragraph relating to the territories of the State of Assam, the words, brackets and figures "and the territories referred to in Part I of the Second Schedule to the Constitution (One Hundredth Amendment) Act, 2015, notwithstanding anything contained in clause (a) of section 3 of the Constitution (Ninth Amendment) Act, 1960, so far as it relates to the territories referred to in Part I of the Second Schedule to the Constitution (One Hundredth Amendment) Act, 2015", shall be added at the end;

(b) in the paragraph relating to the territories of the State of West Bengal, the words, brackets and figures "and also the territories referred to in Part III of the First Schedule but excluding the territories referred to in Part III of the Second Schedule to the Constitution (One Hundredth Amendment) Act, 2015, notwithstanding anything contained in clause (c) of section 3 of the Constitution (Ninth Amendment) Act, 1960, so far as it relates to the territories referred to in Part III of the First Schedule and the territories referred to in Part III of the Second Schedule to the Constitution (One Hundredth Amendment) Act, 2015", shall be added at the end;

(c) in the paragraph relating to the territories of the State of Meghalaya, the words, brackets and figures "and the territories referred to in Part I of the First Schedule but excluding the territories referred to in Part II of the Second Schedule to the Constitution (One Hundredth Amendment) Act, 2015", shall be added at the end;

(d) in the paragraph relating to the territories of the State of Tripura, the words, brackets and figures "and the territories referred to in Part II of the First Schedule to the Constitution (One Hundredth Amendment) Act, 2015, notwithstanding anything contained in clause (d) of section 3 of the Constitution (Ninth Amendment) Act, 1960, so far as it relates to the territories referred to in Part II of the First Schedule to the Constitution (One Hundredth Amendment) Act, 2015", shall be added at the end.

THE FIRST SCHEDULE

[See sections 2(a), 2(b) and 3]

PART I

The acquired territory in relation to Article 2 of the agreement dated the 16th day of May, 1974 and Article 3 (I) (b) (ii) (iii) (iv) (v) of the protocol dated the 6th day of September, 2011.

PART II

The acquired territory in relation to Article 2 of the agreement dated the 16th day of May, 1974 and Article 3 (I) (c) (i) of the protocol dated the 6th day of September, 2011.

PART III

The acquired territory in relation to Articles 1(12) and 2 of the agreement dated the 16th day of May, 1974 and Articles 2 (II), 3 (I) (a) (iii) (iv) (v) (vi) of the protocol dated the 6th day of September, 2011.

THE SECOND SCHEDULE

[See sections 2(b), 2(d) and 3]

PART I

The transferred territory in relation to Article 2 of the agreement dated 16th day of May, 1974 and Article 3 (I) (d) (i) (ii) of the protocol dated 6th day of September, 2011.

PART II

The transferred territory in relation to Article 2 of the agreement dated the 16th day of May, 1974 and Article 3 (I) (b) (i) of the protocol dated 6th day of September, 2011.

PART III

The transferred territory in relation to Articles 1(12) and 2 of the agreement dated the 16th day of May, 1974 and Articles 2 (II), 3 (I) (a) (i) (ii) (vi) of the protocol dated the 6th day of September, 2011.

THE THIRD SCHEDULE

[See section 2(c)]

I. EXTRACTS FROM THE AGREEMENT BETWEEN GOVERNMENT OF THE REPUBLIC OF INDIA AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH CONCERNING THE DEMARCATION OF THE LAND BOUNDARY BETWEEN INDIA AND BANGLADESH AND RELATED MATTERS DATED THE 16TH DAY OF MAY, 1974

Article 1 (12): ENCLAVES

The Indian enclaves in Bangladesh and the Bangladesh enclaves in India should be exchanged expeditiously, excepting the enclaves mentioned in paragraph 14 without claim to compensation for the additional area going to Bangladesh.

Article 2:

The Governments of India and Bangladesh agree that territories in adverse possession in areas already demarcated in respect of which boundary strip maps are already prepared, shall be exchanged within six months of the signing of the boundary strip maps by the plenipotentiaries. They may sign the relevant maps as early as possible as and in any case not later than the 31st December, 1974. Early measures may be taken to print maps in respect of other areas where demarcation has already taken place. These should be printed by the 31st May, 1975 and signed by the plenipotentiaries thereafter in order that the exchange of adversely held possessions in these areas may take place by the 31st December, 1975. In sectors still to be demarcated, transfer of territorial jurisdiction may take place within six months of the signature by plenipotentiaries on the concerned boundary strip maps.

II. EXTRACTS FROM THE PROTOCOL TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF INDIA AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH CONCERNING THE DEMARCATION OF THE LAND BOUNDARY BETWEEN INDIA AND BANGLADESH AND RELATED MATTERS, DATED THE 6TH DAY OF SEPTEMBER, 2011

Article 2:

(II) Article 1 Clause 12 of the 1974 Agreement shall be implemented as follows:—

Enclaves

111 Indian Enclaves in Bangladesh and 51 Bangladesh Enclaves in India as per the jointly verified cadastral enclave maps and signed at the level of DGLR&S, Bangladesh and DLR&S, West Bengal (India) in April, 1997, shall be exchanged without claim to compensation for the additional areas going to Bangladesh.

Article 3:

(I) Article 2 of the 1974 Agreement shall be implemented as follows:—

The Government of India and the Government of Bangladesh agree that the boundary shall be drawn as a fixed boundary for territories held in Adverse Possession as determined through joint survey and fully depicted in the respective adversely possessed land area Index Map (APL map) finalised by the Land Records and Survey Departments of both the countries between December, 2010 and August, 2011, which are fully described in clause (a) to (d) below.

The relevant strip maps shall be printed and signed by the Plenipotentiaries and transfer of territorial jurisdiction shall be completed simultaneously with the exchange of enclaves. The demarcation of the boundary, as depicted in the above-mentioned Index Maps, shall be as under:—

(a) West Bengal Sector

(i) Bousmari – Madhugari (Kushtia-Nadia) area

The boundary shall be drawn from the existing Boundary Pillar Nos. 154/5-S to 157/1-S to follow the centre of old course of river Mathabanga, as depicted in consolidation map of 1962, as surveyed jointly and agreed in June, 2011.

(ii) Andharkota (Kushtia-Nadia) area

The boundary shall be drawn from existing Boundary Pillar No. 152/5-S to Boundary Pillar No. 153/1-S to follow the edge of existing River Mathabanga as jointly surveyed and agreed in June, 2011.

(iii) Pakuria (Kushtia-Nadia) area

The boundary shall be drawn from existing Boundary Pillar No. 151/1-S to Boundary Pillar No. 152/2-S to follow the edge of River Mathabanga as jointly surveyed and agreed in June, 2011.

(iv) Char Mahishkundi (Kushtia-Nadia) area

The boundary shall be drawn from existing Boundary Pillar No. 153/1-S to Boundary Pillar No. 153/9-S to follow the edge of River Mathabanga as jointly surveyed and agreed in June, 2011.

(v) Haripal/Khutadah/Battoli/Sapameri/LNpur (Patari) (Naogaon-Malda) area

The boundary shall be drawn as line joining from existing Boundary Pillar No. 242/S/13, to Boundary Pillar No. 243/7-S/5 and as jointly surveyed and agreed in June, 2011.

(vi) Berubari (Panchagarh-Jalpaiguri area)

The boundary in the area Berubari (Panchagarh-Jalpaiguri) adversely held by Bangladesh, and Berubari and Singhapara-Khudipara (Panchagarh-Jalpaiguri), adversely held by India shall be drawn as jointly demarcated during 1996-1998.

(b) Meghalaya Sector

(i) Lobachera-Nuncherra

The boundary from existing Boundary Pillar No. 1315/4-S to Boundary Pillar No. 1315/15-S in Lailong - Balichera, Boundary Pillar No. 1316/1-S to Boundary Pillar No. 1316/11-S in Lailong- Noonchera, Boundary Pillar No. 1317 to Boundary Pillar No. 1317/13-S in Lailong- Lahiling and Boundary Pillar No. 1318/1-S to Boundary Pillar No. 1318/2-S in Lailong- Lobhachera shall be drawn to follow the edge of tea gardens as jointly surveyed and agreed in December, 2010.

(ii) Pyrdiwah/ Padua Area

The boundary shall be drawn from existing Boundary Pillar No. 1270/1-S as per jointly surveyed and mutually agreed line till Boundary Pillar No. 1271/1-T. The Parties agree that the Indian Nationals from Pyrdiwah village shall be allowed to draw water from Piyang River near point No. 6 of the agreed Map.

(iii) Lyngkhat Area

(aa) Lyngkhat-I / Kulumcherra and Lyngkhat-III/ Kulumcherra

The boundary shall be drawn from existing Boundary Pillar No. 1264/4-S to Boundary Pillar No. 1265 and BP No. 1265/6-S to 1265/9-S as per jointly surveyed and mutually agreed line.

(ab) Lyngkhat-III/Sonarhat

The boundary shall be drawn from existing Boundary Pillar No. 1266/13-S along the nallah southwards till it meets another nallah in the east-west direction, thereafter it shall run along the northern edge of the nallah in east till it meets the existing International Boundary north of Reference Pillar Nos. 1267/4-R-B and 1267/3-R-I.

(iv) Dawki/Tumabil area

The boundary shall be drawn by a straight line joining existing Boundary Pillar Nos. 1275/1-S to Boundary Pillar Nos. 1275/7-S. The Parties agree to fencing on 'zero line' in this area.

*(v) Naljuri/Sreepur Area**(aa) Naljuri I*

The boundary shall be a line from the existing Boundary Pillar No. 1277/2-S in southern direction up to three plots as depicted in the strip Map No. 166 till it meets the nallah flowing from Boundary Pillar No. 1277/5-T, thereafter it will run along the western edge of the nallah in the southern direction up to 2 plots on the Bangladesh side, thereafter it shall run eastwards till it meets a line drawn in southern direction from Boundary Pillar No. 1277/4-S.

(ab) Naljuri III

The boundary shall be drawn by a straight line from existing Boundary Pillar No. 1278/2-S to Boundary Pillar No. 1279/3-S.

(vi) Muktapur/ Dibir Hawor Area

The Parties agree that the Indian Nationals shall be allowed to visit Kali Mandir and shall also be allowed to draw water and exercise fishing rights in the water body in the Muktapur / Dibir Hawor area from the bank of Muktapur side.

(c) Tripura Sector*(i) Chandannagar-Champarai Tea Garden area in Tripura/ Moulvi Bazar sector*

The boundary shall be drawn along Sonaraichhera river from existing Boundary Pillar No. 1904 to Boundary Pillar No. 1905 as surveyed jointly and agreed in July, 2011.

(d) Assam Sector*(i) Kalabari (Boroibari) area in Assam sector*

The boundary shall be drawn from existing Boundary Pillar No. 1066/24-T to Boundary Pillar No. 1067/16-T as surveyed jointly and agreed in August, 2011.

(ii) Pallathal area in Assam sector

The boundary shall be drawn from existing Boundary Pillar No. 1370/3-S to 1371/6-S to follow the outer edge of the tea garden and from Boundary Pillar No. 1372 to 1373/2-S along outer edge of the pan plantation.

III. LIST OF EXCHANGE OF ENCLAVES BETWEEN INDIA AND BANGLADESH IN PURSUANT TO ARTICLE 1 (12) OF THE AGREEMENT DATED 16TH MAY 1974 AND THE PROTOCOL TO THE AGREEMENT DATED 6TH SEPTEMBER, 2011

A. EXCHANGEABLE INDIAN ENCLAVES IN BANGLADESH WITH AREA

Sl. No.	Name of Chhits	Chhit No.	Lying within Police station Bangladesh	Lying within Police station W. Bengal	Area in acres
<i>A. Enclaves with independent chhits</i>					
1.	Garati	75	Pochagar	Haldibari	58.23
2.	Garati	76	Pochagar	Haldibari	0.79
3.	Garati	77	Pochagar	Haldibari	18

Sl. No.	Name of Chhits	Chhit No.	Lying within Police station Bangladesh	Lying within Police station W. Bengal	Area in acres
1	2	3	4	5	6
4.	Garati	78	Pochagar	Haldibari	958.66
5.	Garati	79	Pochagar	Haldibari	1.74
6.	Garati	80	Pochagar	Haldibari	73.75
7.	Bingimari Part-I	73	Pochagar	Haldibari	6.07
8.	Nazirganja	41	Boda	Haldibari	58.32
9.	Nazirganja	42	Boda	Haldibari	434.29
10.	Nazirganja	44	Boda	Haldibari	53.47
11.	Nazirganja	45	Boda	Haldibari	1.07
12.	Nazirganja	46	Boda	Haldibari	17.95
13.	Nazirganja	47	Boda	Haldibari	3.89
14.	Nazirganja	48	Boda	Haldibari	73.27
15.	Nazirganja	49	Boda	Haldibari	49.05
16.	Nazirganja	50	Boda	Haldibari	5.05
17.	Nazirganja	51	Boda	Haldibari	0.77
18.	Nazirganja	52	Boda	Haldibari	1.04
19.	Nazirganja	53	Boda	Haldibari	1.02
20.	Nazirganja	54	Boda	Haldibari	3.87
21.	Nazirganja	55	Boda	Haldibari	12.18
22.	Nazirganja	56	Boda	Haldibari	54.04
23.	Nazirganja	57	Boda	Haldibari	8.27
24.	Nazirganja	58	Boda	Haldibari	14.22
25.	Nazirganja	60	Boda	Haldibari	0.52
26.	Putimari	59	Boda	Haldibari	122.8
27.	Daikhata Chhat	38	Boda	Haldibari	499.21
28.	Salbari	37	Boda	Haldibari	1188.93
29.	Kajal Dighi	36	Boda	Haldibari	771.44
30.	Nataktoka	32	Boda	Haldibari	162.26
31.	Nataktoka	33	Boda	Haldibari	0.26
32.	Beuladanga Chhat	35	Boda	Haldibari	0.83
33.	Balapara Iagrabar	3	Debiganj	Haldibari	1752.44
34.	Bara Khankikharija Citaldaha	30	Dimla	Haldibari	7.71
35.	Bara Khankikharija Citaldaha	29	Dimla	Haldibari	36.83
36.	Barakhangir	28	Dimla	Haldibari	30.53

Sl. No.	Name of Chhits	Chhit No.	Lying within Police station Bangladesh	Lying within Police station W. Bengal	Area in acres
1	2	3	4	5	6
37.	Nagarjikobari	31	Dimla	Haldibari	33.41
38.	Kuchlibari	26	Patgram	Mekliganj	5.78
39.	Kuchlibari	27	Patgram	Mekliganj	2.04
40.	Bara Kuchlibari	Fragment of J.L.107 of P.S Mekliganj	Patgram	Mekliganj	4.35
41.	Jamaldaha-Balapukhari	6	Patgram	Mekliganj	5.24
42.	Uponchowki kuchlibari	115/2	Patgram	Mekliganj	0.32
43.	Uponchowki kuchlibari	7	Patgram	Mekliganj	44.04
44.	Bhothnri	11	Patgram	Mekliganj	36.83
45.	Balapukhari	5	Patgram	Mekliganj	55.91
46.	Bara Khangir	4	Patgram	Mekliganj	50.51
47.	Bara Khangir	9	Patgram	Mekliganj	87.42
48.	Chhat Bogdokra	10	Patgram	Mekliganj	41.7
49.	Ratanpur	11	Patgram	Mekliganj	58.91
50.	Bogdokra	12	Patgram	Mekliganj	25.49
51.	Fulker Dabri	Fragment of J.L. 107 of P.S Mekliganj	Patgram	Mekliganj	0.88
52.	Kharkharia	15	Patgram	Mekliganj	60.74
53.	Kharkharia	13	Patgram	Mekliganj	51.62
54.	Lotamari	14	Patgram	Mekliganj	110.92
55.	Bhotbari	16	Patgram	Mekliganj	205.46
56.	Komat Changrabandha	16A	Patgram	Mekliganj	42.8
57.	Komat Changrabandha	17A	Patgram	Mekliganj	16.01
58.	Panisala	17	Patgram	Mekliganj	137.66
59.	Dwarikamari Khasbash	18	Patgram	Mekliganj	36.5
60.	Panisala	153/P	Patgram	Mekliganj	0.27
61.	Panisala	153/O	Patgram	Mekliganj	18.01
62.	Panisala	19	Patgram	Mekliganj	64.63
63.	Panisala	21	Patgram	Mekliganj	51.4
64.	Lotamari	20	Patgram	Mekliganj	283.53
65.	Lotamari	22	Patgram	Mekliganj	98.85
66.	Dwarikamari	23	Patgram	Mekliganj	39.52
67.	Dwarikamari	25	Patgram	Mekliganj	45.73
68.	Chhat Bhothat	24	Patgram	Mekliganj	56.11
69.	Baakata	131	Patgram	Hathabhanga	22.35

Sl. No.	Name of Chhits	Chhit No.	Lying within Police station Bangladesh	Lying within Police station W. Bengal	Area in acres
1	2	3	4	5	6
70.	Baakata	132	Patgram	Hathabhanga	11.96
71.	Baakata	130	Patgram	Hathibhanga	20.48
72.	Bhogramguri	133	Patgram	Hathibhanga	1.44
73.	Chenakata	134	Patgram	Mekliganj	7.81
74.	Banskata	119	Patgram	Mathabanga	413.81
75.	Banskata	120	Patgram	Mathabanga	30.75
76.	Banskata	121	Patgram	Mathabanga	12.15
77.	Banskata	113	Patgram	Mathabanga	57.86
78.	Banskata	112	Patgram	Mathabanga	315.04
79.	Banskata	114	Patgram	Mathabanga	0.77
80.	Banskata	115	Patgram	Mathabanga	29.2
81.	Banskata	122	Patgram	Mathabanga	33.22
82.	Banskata	127	Patgram	Mathabanga	12.72
83.	Banskata	128	Patgram	Mathabanga	2.33
84.	Banskata	117	Patgram	Mathabanga	2.55
85.	Banskata	118	Patgram	Mathabanga	30.98
86.	Banskata	125	Patgram	Mathabanga	0.64
87.	Banskata	126	Patgram	Mathabanga	1.39
88.	Banskata	129	Patgram	Mathabanga	1.37
89.	Banskata	116	Patgram	Mathabanga	16.96
90.	Banskata	123	Patgram	Mathabanga	24.37
91.	Banskata	124	Patgram	Mathabanga	0.28
92.	Gotamari Chhit	135	Hatibandha	Sitalkuchi	126.59
93.	Gotamari Chhit	136	Hatibandha	Sitalkuchi	20.02
94.	Banapachai	151	Lalmonirhat	Dinhata	217.29
95.	Banapachai Bhitarkuthi	152	Lalmonirhat	Dinhata	81.71
96.	Dasiar Chhara	150	Fulbari	Dinhata	1643.44
97.	Dakurhat- Dakinirkuthi	156	Kurigram	Dinhata	14.27
98.	Kalamati	141	Bhurungamari	Dinhata	21.21
99.	Bhahobganj	153	Bhurungamari	Dinhata	31.58
100.	Baotikursa	142	Bhurungamari	Dinhata	45.63
101.	Bara Coachulka	143	Bhurungamari	Dinhata	39.99
102.	Gaochulka II	147	Bhurungamari	Dinhata	0.9
103.	Gaochulka I	146	Bhurungamari	Dinhata	8.92

Sl. No.	Name of Chhits	Chhit No.	Lying within Police station Bangladesh	Lying within Police station W. Bengal	Area in acres
1	2	3	4	5	6
104.	Dighaltari II	145	Bhurungamari	Dinhata	8.81
105.	Dighaltari I	144	Bhurungamari	Dinhata	12.31
106.	Chhoto Garaljhora II	149	Bhurungamari	Dinhata	17.85
107.	Chhoto Garaljhora I	148	Bhurungamari	Dinhata	35.74
108.	1 chhit *without name & JL No. at the southern and of JL No. 38 & southern and of JL No. 39 (locally known as Ashokabari**)		Patgram	Mathabhanga	3.5
<i>Enclaves with Fragmented Chhits</i>					
109.	(i) Bewladanga	34	Haldibari	Boda	862.46
	(ii) Bewladanga	Fragment	Haldibari	Debiganj	
110.	(i) Kotbhajni	2	Haldibari	Debiganj	2012.27
	(ii) Kotbhajni	Fragment	Haldibari	Debiganj	
	(iii) Kotbhajni	Fragment	Haldibari	Debiganj	
	(iv) Kotbhajni	Fragment	Haldibari	Debiganj	
111.	(i) Dahala	Khagrabri	Haldibari	Debiganj	2650.35
	(ii) Dahala	Fragment	Haldibari	Debiganj	
	(iii) Dahala	Fragment	Haldibari	Debiganj	
	(iv) Dahala	Fragment	Haldibari	Debiganj	
	(v) Dahala	Fragment	Haldibari	Debiganj	
	(vi) Dahala	Fragment	Haldibari	Debiganj	
					17160.63

The above given details of enclaves have been jointly compared and reconciled with records held by India and Bangladesh during the Indo-Bangladesh Conference held at Calcutta during 9th — 12th October, 1996 as well as during joint field inspection at Jalpaiguri (West Bengal) Panchagarh (Bangladesh) sector during 21—24 November, 1996.

Note: Name of enclave in Sl. No. 108 above has been identified as Ashokabari by joint ground verification during field season 1996-97.

Brig. J.R. Peter
Director Land Records & Survey
(Ex-Officio) West Bengal, India &
Director, Eastern Circle
Survey of India, Calcutta.

Md. Shafi Uddin
Director General, Land Records
and Surveys, Bangladesh.

* Corrected vide 150th (54th) India-Bangladesh Boundary Conference held at Kolkata from 29th September to 2nd October, 2002.

** Corrected vide 152nd (56th) India-Bangladesh Boundary Conference held at Kochbihar, India from 18th—20th September, 2003.

B. EXCHANGEABLE BANGLADESH ENCLAVES IN INDIA WITH AREA

Sl. No.	Name of Chhits	Lying within Police station W. Bengal	Lying within Police station Bangladesh	J.L. No.	Area in acres
1	2	3	4	5	6
<i>A. Enclaves with independent chhits</i>					
1.	Chhit Kuchlibari	Mekliganj	Patgram	22	370.64
2.	Chhit Land of Kuchlibari	Mekliganj	Patgram	24	1.83
3.	Balapukhari	Mekliganj	Patgram	21	331.64
4.	Chhit Land of Panbari No.2	Mekliganj	Patgram	20	1.13
5.	Chhit Panbari	Mekliganj	Patgram	18	108.59
6.	Dhabalsati Mirgipur	Mekliganj	Patgram	15	173.88
7.	Bamandal	Mekliganj	Patgram	11	2.24
8.	Chhit Dhabalsati	Mekliganj	Patgram	14	66.58
9.	Dhabalsati	Mekliganj	Patgram	13	60.45
10.	Srirampur	Mekliganj	Patgram	8	1.05
11.	Jote Nijjama	Mekliganj	Patgram	3	87.54
12.	Chhit Land of Jagatber No.3	Mathabhanga	Patgram	37	69.84
13.	Chhit Land of Jagatber No.1	Mathabhanga	Patgram	35	30.66
14.	Chhit Land of Jagatber No.2	Mathabhanga	Patgram	36	27.09
15.	Chhit Kokoabari	Mathabhanga	Patgram	47	29.49
16.	Chhit Bhandardaha	Mathabhanga	Patgram	67	39.96
17.	Dhabalguri	Mathabhanga	Patgram	52	12.5
18.	Chhit Dhabalguri	Mathabhanga	Patgram	53	22.31
19.	Chhit Land of Dhabalguri No.3	Mathabhanga	Patgram	70	1.33
20.	Chhit Land of Dhabalguri No.4	Mathabhanga	Patgram	71	4.55
21.	Chhit Land of Dhabalguri No.5	Mathabhanga	Patgram	72	4.12
22.	Chhit Land of Dhabalguri No.1	Mathabhanga	Patgram	68	26.83
23.	Chhit Land of Dhabalguri No.2	Mathabhanga	Patgram	69	13.95
24.	Mahishmari	Sitalkuchi	Patgram	54	122.77
25.	Bura Saradubi	Sitalkuchi	Hatibadha	13	34.96
26.	Falnapur	Sitalkuchi	Patgram	64	505.56
27.	Amjhol	Sitalkuchi	Hatibandha	57	1.25
28.	Kismat Batrigachh	Dinhata	Kaliganj	82	209.95
29.	Durgapur	Dinhata	Kaliganj	83	20.96
30.	Bansua Khamar Gitaldaha	Dinhata	Lalmonirhat	1	24.54
31.	Poaturkuthi	Dinhata	Lalmonirhat	37	589.94
32.	Paschim Bakalir Chhara	Dinhata	Bhurungamari	38	151.98

Sl. No.	Name of Chhits	Lying within Police station W. Bengal	Lying within Police station Bangladesh	J.L. No.	Area in acres
1	2	3	4	5	6
33.	Madhya Bakalir Chhara	Dinhata	Bhurungamari	39	32.72
34.	Purba Bakalir Chhara	Dinhata	Bhurungamari	40	12.23
35.	Madhya Masaldanga	Dinhata	Bhurungamari	3	136.66
36.	Madhya Chhit Masaldanga	Dinhata	Bhurungamari	8	11.87
37.	Paschim Chhit Masaldanga	Dinhata	Bhurungamari	7	7.6
38.	Uttar Masaldanga	Dinhata	Bhurungamari	2	27.29
39.	Kachua	Dinhata	Bhurungamari	5	119.74
40.	Uttar Bansjani	Tufanganj	Bhurungamari	1	47.17
41.	Chhat Tilai	Tufanganj	Bhurungamari	17	81.56
<i>B. Enclaves with Fragmented Chhits</i>					
42.	(i) Nalgram	Sitalkuchi	Patgarm	65	1397.34
	(ii) Nalgram (Fragment)	Sitalkuchi	Patgarm	65	
	(iii) Nalgram (Fragment)	Sitalkuchi	Patgarm	65	
43.	(i) Chhit Nalgram	Sitalkuchi	Patgarm	66	49.5
	(ii) Chhit Nalgram (Fragment)	Sitalkuchi	Patgarm	66	
44.	(i) Batrigachh	Dinhata	Kaliganj	81	577.37
	(ii) Batrigachh (Fragment)	Dinhata	Kaliganj	81	
	(iii) Batrigachh (Fragment)	Dinhata	Phulbari	9	
45.	(i) Karala	Dinhata	Phulbari	9	269.91
	(ii) Karala (fragment)	Dinhata	Phulbari	9	
	(iii) Karala (fragment)	Dinhata	Phulbari	8	
46.	(i) Sipprasad Mustati	Dinhata	Phulbari	8	373.2
	(ii) Sipprasad Mustati (Fragment)	Dinhata	Phulbari	6	
47.	(i) Dakshin Masaldanga	Dinhata	Bhurungamari	6	571.38
	(ii) Dakshin Masaldanga (Fragment)	Dinhata	Bhurungamari	6	
	(iii) Dakshin Masaldanga (Fragment)	Dinhata	Bhurungamari	6	
	(iv) Dakshin Masaldanga (Fragment)	Dinhata	Bhurungamari	6	
	(v) Dakshin Masaldanga (Fragment)	Dinhata	Bhurungamari	6	
	(vi) Dakshin Masaldanga (Fragment)	Dinhata	Bhurungamari	6	
48.	(i) Paschim Masaldanga	Dinhata	Bhurungamari	4	29.49
	(ii) Paschim Masaldanga (Fragment)	Dinhata	Bhurungamari	4	
49.	(i) Purba Chhit Masaldanga	Dinhata	Bhurungamari	10	35.01
	(ii) Purba Chhit Masaldanga (Fragment)	Dinhata	Bhurungamari	10	

Sl. No.	Name of Chhits	Lying within Police station W. Bengal	Lying within Police station Bangladesh	J.L. No.	Area in acres
1	2	3	4	5	6
50.	(i) Purba Masaldanga	Dinhata	Bhurungamari	11	153.89
	(ii) Purba Masaldanga (Fragment)	Dinhata	Bhurungamari	11	
51.	(i) Uttar Daldanga	Tufanganj	Bhurungamari	14	24.98
	(ii) Uttar Daldanga (Fragment)	Tufanganj	Bhurungamari	14	
	(iii) Uttar Daldanga (Fragment)	Tufanganj	Bhurungamari	14	
Total Area					7,110.02

The above given details of enclaves have been jointly compared and reconciled with records held by India and Bangladesh during the Indo-Bangladesh Conference held at Calcutta during 9th—12th October, 1996 as well as during joint field inspection at Jalpaiguri (West Bengal) – Panchagarh (Bangladesh) sector during 21—24 November, 1996.

Brig. J.R. Peter
Director Land Records & Survey
(Ex Officio) West Bengal, India &
Director, Eastern Circle
Survey of India, Calcutta.

Md. Shafi Uddin
Director General, Land Records
and Surveys, Bangladesh.

THE CITIZENSHIP (AMENDMENT) ACT, 2015

(AS PASSED BY THE HOUSES OF PARLIAMENT)

(Act No. 1 of 2015)

(10-3-2015)

AN

ACT

further to amend the Citizenship Act, 1955.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

1. (1) This Act may be called the Citizenship (Amendment) Act, 2015.

Short title
and
commencement.

(2) It shall be deemed to have come into force on the 6th day of January, 2015.

57 of 1955.

2. In the Citizenship Act, 1955 (hereinafter referred to as the principal Act), in section 2, in sub-section (1), for clause (ee), the following clause shall be substituted, namely:—

Amendment
of section 2.

'(ee) "Overseas Citizen of India Cardholder" means a person registered as an Overseas Citizen of India Cardholder by the Central Government under section 7A;'

3. In the principal Act, in section 5,—

Amendment
of section 5.

(i) in sub-section (1),—

(a) in clause (f), for the words "has been residing in India for one year", the words "is ordinarily resident in India for twelve months" shall be substituted;

(b) in clause (g),—

(A) for the words "Overseas Citizen of India", the words "Overseas Citizen of India Cardholder" shall be substituted;

(B) for the words "has been residing in India for one year", the words "is ordinarily resident in India for twelve months" shall be substituted;

(ii) after sub-section (I), the following sub-section shall be inserted, namely:—

"(IA) The Central Government, if it is satisfied that special circumstances exist, may after recording the circumstances in writing, relax the period of twelve months, specified in clauses (f) and (g) and clause (i) of *Explanation 1* of sub-section (I), up to a maximum of thirty days which may be in different breaks."

4. In the principal Act, for sections 7A, 7B, 7C and section 7D, the following sections shall be substituted, namely:—

Substitution
of new
sections for
sections 7A,
7B, 7C and
section 7D.

Registration
of Overseas
Citizen of
India
Cardholder.

"7A. (I) The Central Government may, subject to such conditions, restrictions and manner as may be prescribed, on an application made in this behalf, register as an Overseas Citizen of India Cardholder—

(a) any person of full age and capacity,—

(i) who is a citizen of another country, but was a citizen of India at the time of, or at any time after the commencement of the Constitution: or

(ii) who is a citizen of another country, but was eligible to become a citizen of India at the time of the commencement of the Constitution; or

(iii) who is a citizen of another country, but belonged to a territory that became part of India after the 15th day of August, 1947; or

(iv) who is a child or a grandchild or a great grandchild of such a citizen; or

(b) a person, who is a minor child of a person mentioned in clause (a); or

(c) a person, who is a minor child, and whose both parents are citizens of India or one of the parents is a citizen of India; or

(d) spouse of foreign origin of a citizen of India or spouse of foreign origin of an Overseas Citizen of India Cardholder registered under section 7A and whose marriage has been registered and subsisted for a continuous period of not less than two years immediately preceding the presentation of the application under this section:

Provided that for the eligibility for registration as an Overseas Citizen of India Cardholder, such spouse shall be subjected to prior security clearance by a competent authority in India:

Provided further that no person, who or either of whose parents or grandparents or great grandparents is or had been a citizen of Pakistan, Bangladesh or such other country as the Central Government may, by notification in the Official Gazette, specify, shall be eligible for registration as an Overseas Citizen of India Cardholder under this sub-section.

(2) The Central Government may, by notification in the Official Gazette, specify the date from which the existing Persons of Indian Origin Cardholders shall be deemed to be Overseas Citizens of India Cardholders.

Explanation.— For the purposes of this sub-section, "Persons of Indian Origin Cardholders" means the persons registered as such under notification number 26011/4/98 F.I., dated the 19th August, 2002, issued by the Central Government in this regard.

(3) Notwithstanding anything contained in sub-section (1), the Central Government may, if it is satisfied that special circumstances exist, after recording the circumstances in writing, register a person as an Overseas Citizen of India Cardholder.

7B. (1) Notwithstanding anything contained in any other law for the time being in force, an Overseas Citizen of India Cardholder shall be entitled to such rights, other than the rights specified under sub-section (2), as the Central Government may, by notification in the Official Gazette, specify in this behalf.

Conferment
of rights on
Overseas
Citizen of
India
Cardholder.

(2) An Overseas Citizen of India Cardholder shall not be entitled to the rights conferred on a citizen of India—

(a) under article 16 of the Constitution with regard to equality of opportunity in matters of public employment;

(b) under article 58 of the Constitution for election as President;

(c) under article 66 of the Constitution for election as Vice-President;

(d) under article 124 of the Constitution for appointment as a Judge of the Supreme Court;

(e) under article 217 of the Constitution for appointment as a Judge of the High Court;

43 of 1950.

(f) under section 16 of the Representation of the People Act, 1950 in regard to registration as a voter;

43 of 1951.

(g) under sections 3 and 4 of the Representation of the People Act, 1951 with regard to the eligibility for being a member of the House of the People or of the Council of States, as the case may be;

43 of 1951.

(h) under sections 5, 5A and section 6 of the Representation of the People Act, 1951 with regard to the eligibility for being a member of the Legislative Assembly or the Legislative Council, as the case may be, of a State;

(i) for appointment to public services and posts in connection with affairs of the Union or of any State except for appointment in such services and posts as the Central Government may, by special order in that behalf, specify.

(3) Every notification issued under sub-section (1) shall be laid before each House of Parliament.

7C. (1) If any Overseas Citizen of India Cardholder of full age and capacity makes in prescribed manner a declaration renouncing the Card registering him as an Overseas Citizen of India Cardholder, the declaration shall be registered by the Central Government, and upon such registration, that person shall cease to be an Overseas Citizen of India Cardholder.

Renunciation
of Overseas
Citizen of
India Card.

(2) Where a person ceases to be an Overseas Citizen of India Cardholder under sub-section (1), the spouse of foreign origin of that person, who has obtained Overseas Citizen of India Card under clause (d) of sub-section (1) of section 7A, and every minor child of that person registered as an Overseas Citizen of India Cardholder shall thereupon cease to be an Overseas Citizen of India Cardholder.

7D. The Central Government may, by order, cancel the registration granted under sub-section (1) of section 7A, if it is satisfied that—

(a) the registration as an Overseas Citizen of India Cardholder was obtained by means of fraud, false representation or the concealment of any material fact; or

(b) the Overseas Citizen of India Cardholder has shown disaffection towards the Constitution, as by law established; or

(c) the Overseas Citizen of India Cardholder has, during any war in which India may be engaged, unlawfully traded or communicated with an enemy or

Cancellation
of
registration
as Overseas
Citizen of
India
Cardholder.

been engaged in, or associated with, any business or commercial activity that was to his knowledge carried on in such manner as to assist an enemy in that war; or

(d) the Overseas Citizen of India Cardholder has, within five years after registration under sub-section (1) of section 7A, been sentenced to imprisonment for a term of not less than two years; or

(e) it is necessary so to do in the interests of the sovereignty and integrity of India, the security of India, friendly relations of India with any foreign country, or in the interests of the general public; or

(f) the marriage of an Overseas Citizen of India Cardholder, who has obtained such Card under clause (d) of sub-section (1) of section 7A,—

(i) has been dissolved by a competent court of law or otherwise; or

(ii) has not been dissolved but, during the subsistence of such marriage, he has solemnised marriage with any other person."

Amendment
of section 18.

5. In the principal Act, in section 18, in sub-section (2), after clause (ee), the following clauses shall be inserted, namely:—

"(eea) the conditions and the manner subject to which a person may be registered as an Overseas Citizen of India Cardholder under sub-section (1) of section 7A;

(eeb) the manner of making declaration for renunciation of Overseas Citizen of India Card under sub-section (1) of section 7C;"

Amendment
of Third
Schedule.

6. In the principal Act, in the Third Schedule, in clause (c), the following proviso shall be inserted, namely:—

"Provided that if the Central Government is satisfied that special circumstances exist, it may, after recording the circumstances in writing, relax the period of twelve months up to a maximum of thirty days which may be in different breaks."

Repeal and
savings.

7. (1) The Citizenship (Amendment) Ordinance, 2015 is hereby repealed.

Ord. 1 of
2015.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of the principal Act, as amended by this Act.

THE PUBLIC PREMISES (EVICTION OF UNAUTHORISED OCCUPANTS) AMENDMENT ACT, 2015

(AS PASSED BY THE HOUSES OF PARLIAMENT)

(Act No. 2 of 2015)

(13-3-2015)

AN

ACT

further to amend the Public Premises (Eviction of Unauthorised Occupants) Act, 1971.

An Act further to amend the Public Premises (Eviction of Unauthorised Occupants) Act, 1971

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

Short title and
commencement.

1. (1) This Act may be called the Public Premises (Eviction of Unauthorised Occupants) Amendment Act, 2015.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

40 of 1971.	2. In the Public Premises (Eviction of Unauthorised Occupants) Act, 1971 (hereinafter referred to as the principal Act), in section 2, in clause (e), in sub-clause (2),—	Amendment of Section 2.
1 of 1956. 18 of 2013.	(A) in item (i), for the words and figures "the Companies Act, 1956", the words and figures "the Companies Act, 2013" shall be substituted;	
1 of 1956. 18 of 2013.	(B) in item (ii), for the words and figures "the Companies Act, 1956", the words and figures "the Companies Act, 2013" shall be substituted;	
	(C) for item (iii), the following items shall be substituted, namely:—	
18 of 2013.	‘(iii) any company as defined in clause (20) of section 2 of the Companies Act, 2013 in which not less than fifty-one per cent. of the paid up capital is held partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary (within the meaning of that Act) of the first-mentioned company and which carries on the business of public transport including metro railway.	
	<i>Explanation.</i> — For the purposes of this item, "metro railway" shall have the same meaning as assigned to it in clause (i) of sub-section (1) of section 2 of the Metro Railway (Operation and Maintenance) Act, 2002;	
60 of 2002.	(iiia) any University established or incorporated by any Central Act;’	
	(D) for item (v), the following item shall be substituted, namely:—	
	"(v) any Board of Trustees or any successor company constituted under or referred to in the Major Port Trusts Act, 1963;"	
38 of 1963.	(E) in sub-clause (3),—	
	(a) in item (i), for the words "Municipal Corporation", the words, brackets and figures "Council as defined in clause (9) of section 2 of the New Delhi Municipal Council Act, 1994 or Corporation or Corporations notified under sub-section (1) of section 3 of the Delhi Municipal Corporation Act, 1957," shall be substituted;	
44 of 1994. 66 of 1957.	(b) after item (iii), the following item shall be inserted, namely:—	
	‘(iv) any premises belonging to, or taken on lease by, or on behalf of any Government company as defined in clause (45) of section 2 of the Companies Act, 2013.	
18 of 2013.	<i>Explanation.</i> — For the purposes of this clause, the expression, "State Government" occurring in clause (45) of the said section shall mean the Government of the National Capital Territory of Delhi.’	
	(F) in clause (fa),—	
	(a) in sub-clause (ii), after the words, brackets and figures "in item (i) of sub-clause (2)", the words, brackets and figures "and in item (iv) of sub-clause (3)" shall be inserted;	
	(b) in sub-clause (v), for the word "Corporation", the words "Council, Corporation or Corporations" shall be substituted.	
	3. In section 4 of the principal Act,—	
	(a) for sub-section (1), the following sub-sections shall be substituted, namely:—	Amendment of Section 4.
	"(1) If the estate officer has information that any person is in unauthorised occupation of any public premises and that he should be evicted, the estate officer shall issue in the manner hereinafter provided a notice in writing within seven working days from the date of receipt of the information regarding the unauthorised occupation calling upon the person concerned to show cause why an order of eviction should not be made.	

(1A) If the estate officer knows or has reasons to believe that any person is in unauthorised occupation of the public premises, then, without prejudice to the provisions of sub-section (1), he shall forthwith issue a notice in writing calling upon the person concerned to show cause why an order of eviction should not be made.

(1B) Any delay in issuing a notice referred to in sub-sections (1) and (1A) shall not vitiate the proceedings under this Act.";

(b) in sub-section (2), in clause (b), in sub-clause (i), for the words "earlier than", the words "later than" shall be substituted.

Amendment of
section 5.

4. In section 5 of the principal Act,—

(a) for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) If, after considering the cause, if any, shown by any person in pursuance of a notice under section 4 and any evidence produced by him in support of the same and after personal hearing, if any, given under sub-clause (ii) of clause (b) of sub-section (2) of section 4, the estate officer is satisfied that the public premises are in unauthorised occupation, the estate officer shall make an order of eviction, for reasons to be recorded therein, directing that the public premises shall be vacated, on such date as may be specified in the order but not later than fifteen days from the date of the order, by all persons who may be in occupation thereof or any part thereof, and cause a copy of the order to be affixed on the outer door or some other conspicuous part of the public premises:

Provided that every order under this sub-section shall be made by the estate officer as expeditiously as possible and all endeavour shall be made by him to issue the order within fifteen days of the date specified in the notice under sub-section (1) or sub-section (1A), as the case may be, of section 4.";

(b) after sub-section (2), the following proviso shall be inserted, namely:—

"Provided that if the estate officer is satisfied, for reasons to be recorded in writing, that there exists any compelling reason which prevents the person from vacating the premises within fifteen days, the estate officer may grant another fifteen days from the date of expiry of the order under sub-section (1) to the person to vacate the premises."

Amendment of
section 7.

5. In section 7 of the principal Act,—

(a) in sub-section (2A), for the words "simple interest", the words "compound interest" shall be substituted;

(b) in sub-section (3), for the words "within such time as may be specified in the notice", the words "within seven days from the date of issue thereof" shall be substituted;

(c) after sub-section (3), the following sub-section shall be inserted, namely:—

"(4) Every order under this section shall be made by the estate officer as expeditiously as possible and all endeavour shall be made by him to issue the order within fifteen days of the date specified in the notice."

Amendment of
section 9.

6. In section 9 of the principal Act,—

(a) in sub-section (2), for the proviso, the following proviso shall be substituted, namely:—

"Provided that the appellate officer may entertain the appeal in exceptional cases after the expiry of the said period, if he is satisfied for reasons to be recorded in writing that there was compelling reasons which prevented the person from filing the appeal in time.";

(b) for sub-section (4), the following sub-section shall be substituted, namely:—

"(4) Every appeal under this section shall be disposed of by the appellate officer as expeditiously as possible and every endeavour shall be made to dispose of the appeal finally within one month from the date of filing the appeal, after providing the parties an opportunity of being heard."

THE CONSTITUTION (SCHEDULED CASTES) ORDERS
(AMENDMENT) ACT, 2015

(AS PASSED BY THE HOUSES OF PARLIAMENT)

(Act No. 4 of 2015)

(20-3-2015)

AN

ACT

further to amend the Constitution (Scheduled Castes) Order, 1950 to modify the list of Scheduled Castes in the States of Haryana, Kamataka and Odisha and the Constitution (Dadra and Nagar Haveli) Scheduled Castes Order, 1962.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

1. This Act may be called the Constitution (Scheduled Castes) Orders (Amendment) Act, 2015. Short title.

C.O. 19.

2. In the Schedule to the Constitution (Scheduled Castes) Order, 1950,—

(a) in PART V.—*Haryana*, for entry 19, substitute,—

“19. Kabirpanthi, Julaha, Kabirpanthi Julaha”;

(b) in PART VII.—*Karnataka*, for entry 23, substitute,—

“23. Bhovi, Od, Odde, Vaddar, Waddar, Voddar, Woddar, Bovi (Non-Besta), Kalluvaddar, Mannuvaddar”;

(c) in PART XIII.—*Odisha*,—

(i) for entries 26 and 27, substitute,—

“26. Dhoba, Dhobi, Rajak, Rajaka

27. Dom, Dombo, Duria Dom, Adhuria Dom, Adhuria Domb”;

(ii) for entries 44, 45 and 46, substitute,—

“44. Katia, Khatia

45. Kela, Sapua Kela, Nalua Kela, Sabakhia Kela, Matia Kela, Gaudia Kela

46. Khadala, Khadal, Khodal”;

(iii) for entry 91, substitute,—

“91. Turi, Betra”;

(d) in PART XXIV.—*Uttaranchal*, for “Uttaranchal”, substitute, “Uttarakhand”.

C.O. 64.

3. In the Schedule to the Constitution (Dadra and Nagar Haveli) Scheduled Castes Order, 1962, for entry 2, substitute,—

“2. Chamar, Rohit.”.

Amendment of the Constitution (Scheduled Castes) Order, 1950.

Amendment of the Constitution (Dadra and Nagar Haveli) Scheduled Castes Order, 1962.

THE MOTOR VEHICLES (AMENDMENT) ACT, 2015

(AS PASSED BY THE HOUSES OF PARLIAMENT)

(Act No. 3 of 2015)

(19-3-2015)

AN

ACT

further to amend the Motor Vehicles Act, 1988.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

Short title and
commencement.**1.** (1) This Act may be called the Motor Vehicles (Amendment) Act, 2015.

(2) It shall be deemed to have come into force on the 7th day of January, 2015.

Insertion of new
section 2A.**2.** In the Motor Vehicles Act, 1988 (hereinafter referred to as the principal Act), after section 2, the following section shall be inserted, namely:—

59 of 1988.

e-cart and
e-rickshaw.**2A.** (1) Save as otherwise provided in the proviso to sub-section (1) of section 7 and sub-section (10) of section 9, the provisions of this Act shall apply to e-cart and e-rickshaw.

(2) For the purposes of this section, “e-cart or e-rickshaw” means a special purpose battery powered vehicle of power not exceeding 4000 watts, having three wheels for carrying goods or passengers, as the case may be, for hire or reward, manufactured, constructed or adapted, equipped and maintained in accordance with such specifications, as may be prescribed in this behalf.’.

Amendment of
section 7.**3.** In the principal Act, in section 7, in sub-section (1), the following proviso shall be inserted, namely:—

“Provided that nothing contained in this sub-section shall apply to an e-cart or e-rickshaw.”.

Amendment of
section 9.**4.** In the principal Act, in section 9, after sub-section (9), the following sub-section shall be inserted, namely:—

“(10) Notwithstanding anything contained in this section, the driving licence to drive e-cart or e-rickshaw shall be issued in such manner and subject to such conditions, as may be prescribed.”.

Amendment of
section 27.**5.** In the principal Act, in section 27,—

(i) clause (a) shall be renumbered as clause (aa) thereof and before clause (aa) as so renumbered, the following clause shall be inserted, namely:—

“(a) specifications relating to e-cart and e-rickshaw under sub-section (2) of section 2A;”;

(ii) after clause (f), the following clause shall be inserted, namely:—

“(ff) the manner and the conditions subject to which the driving licence may be issued under sub-section (10) of section 9;”.

Repeal and
saving.**6.** (1) The Motor Vehicles (Amendment) Ordinance, 2015, is hereby repealed.Ord. 2 of
2015.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act, as amended by this Act.

THE INSURANCE LAWS (AMENDMENT) ACT, 2015

(AS PASSED BY THE HOUSES OF PARLIAMENT)

(Act No. 5 of 2015)

(20-3-2015)

AN

ACT

further to amend the Insurance Laws Act, 1938 and General Insurance Business (Nationalisation) Act, 1972 and to amend the Insurance Regulatory and Development Authority Act, 1999.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Insurance Laws (Amendment) Act, 2015.

Short title and commencement.

(2) It shall be deemed to have come into force on the 26th day of December, 2014.

CHAPTER II

AMENDMENTS TO THE INSURANCE ACT, 1938

4 of 1938.

2. In the Insurance Act, 1938 (hereafter in this Chapter referred to as the Insurance Act), throughout the Act,—

Substitution of references to certain expressions by certain other expressions.

7 of 1913.
18 of 2013.

(a) for the words and figures "the Indian Companies Act, 1913", wherever they occur, the words and figures "the Companies Act, 2013" shall be substituted;

1 of 1956.
18 of 2013.

(b) for the words and figures "the Companies Act, 1956", wherever they occur, the words and figures "the Companies Act, 2013" shall be substituted.

3. In section 2 of the Insurance Act,—

Amendment of section 2.

(i) for clauses (1) and (1A), the following clauses shall be substituted, namely:—

35 of 2006.

'(1) "actuary" means an actuary as defined in clause (a) of sub-section (1) of section 2 of the Actuaries Act, 2006;

41 of 1999.

(1A) "Authority" means the Insurance Regulatory and Development Authority of India established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999;';

(ii) clause (5A) shall be omitted;

(iii) after clause (6B), the following clause shall be inserted, namely:—

'(6C) "health insurance business" means the effecting of contracts which provide for sickness benefits or medical, surgical or hospital expense benefits, whether in-patient or out-patient travel cover and personal accident cover;';

(iv) for clause (7A), the following clause shall be substituted, namely:—

'(7A) "Indian insurance company" means any insurer, being a company which is limited by shares, and,—

18 of 2013.

(a) which is formed and registered under the Companies Act, 2013 as a public company or is converted into such a company within one year of the commencement of the Insurance Laws (Amendment) Act, 2015;

(b) in which the aggregate holdings of equity shares by foreign investors, including portfolio investors, do not exceed forty-nine per cent. of the paid up equity capital of such Indian insurance company, which is Indian owned and controlled, in such manner as may be prescribed.

Explanation.—For the purposes of this sub-clause, the expression "control" shall include the right to appoint a majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;

(c) whose sole purpose is to carry on life insurance business or general insurance business or re-insurance business or health insurance business;';

(v) clause (8) shall be omitted;

(vi) in clause (8A),—

(I) for sub-clause (b), the following sub-clause shall be substituted, namely:—

"(b) having a minimum paid-up capital of rupees one hundred crore in case of life insurance business, general insurance business and health insurance business;";

(II) in sub-clause (d), after the words "general insurance business", the words "or health insurance business" shall be inserted;

(vii) for clause (9), the following clause shall be substituted, namely:—

'(9) "insurer" means—

(a) an Indian Insurance Company, or

(b) a statutory body established by an Act of Parliament to carry on insurance business, or

(c) an insurance co-operative society, or

(d) a foreign company engaged in re-insurance business through a branch established in India.

Explanation.—For the purposes of this sub-clause, the expression "foreign company" shall mean a company or body established or incorporated under a law of any country outside India and includes Lloyd's established under the Lloyd's Act, 1871 (United Kingdom) or any of its Members;';

(viii) in clause (10), the words and figures "licensed under section 42" shall be omitted;

(ix) in clause (11), in sub-clause (c), for the words "annuities payable out of any fund", the words "benefit payable out of any fund" shall be substituted;

(x) clauses (12), (13) and (15) shall be omitted;

(xi) in clause (16), for the words, brackets, figures and letter "clauses (13) and (13A) of section 2 of the Indian Companies Act, 1913", the words, brackets and figures "clause (68) and clause (72) of section 2 of the Companies Act, 2013" shall be substituted;

7 of 1913.
18 of 2013.

(xii) after clause (16), the following clauses shall be inserted, namely:—

(16A) "regulations" means the regulations framed by the Insurance Regulatory and Development Authority of India established under the Insurance Regulatory and Development Authority Act, 1999;

(16B) "re-insurance" means the insurance of part of one insurer's risk by another insurer who accepts the risk for a mutually acceptable premium;

(16C) "Securities Appellate Tribunal" means the Securities Appellate Tribunal established under section 15K of the Securities and Exchange Board of India Act, 1992;'

(xiii) clause (17) shall be omitted.

4. After section 2CA of the Insurance Act, the following section shall be inserted, namely:—

"2CB. (1) No person shall take out or renew any policy of insurance in respect of any property in India or any ship or other vessel or aircraft registered in India with an insurer whose principal place of business is outside India save with the prior permission of the Authority.

(2) If any person contravenes the provision of sub-section (1), he shall be liable to a penalty which may extend to five crore rupees."

5. Section 2E of the Insurance Act shall be omitted.

6. In section 3 of the Insurance Act.—

(i) for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) Every application for registration shall be made in such manner and shall be accompanied by such documents as may be specified by the regulations.";

(ii) in sub-section (2A), in clause (d), for the figures, letter and word "5, 31A and 32", the figures, word and letter "5 and 31A" shall be substituted;

(iii) for sub-section (2C), the following sub-section shall be substituted, namely:—

"(2C) Any person aggrieved by the decision of the Authority refusing registration may, within thirty days from the date on which a copy of the decision is received by him, appeal to the Securities Appellate Tribunal.";

(iv) sub-section (2D) shall be omitted;

(v) for sub-sections (3), (4), (5) and (5A), the following sub-sections shall be substituted, namely:—

"(3) In the case of any insurer having joint venture with a person having its principal place of business domiciled outside India or any insurer as defined in sub-clause (d) of clause (9) of section 2, the Authority may withhold registration already made if it is satisfied that in the country in which such person has been debarred by law or practice of that country to carry on insurance business.

(4) The Authority may suspend or cancel the registration of an insurer either wholly or in so far as it relates to a particular class of insurance business, as the case may be,—

Insertion of new section 2CB.

Properties in India not to be insured with foreign insurers except with the permission of Authority.

Omission of section 2E.

Amendment of section 3.

41 of 1999.

15 of 1992.

(a) if the insurer fails, at any time, to comply with the provisions of section 64VA as to the excess of the value of his assets over the amount of his liabilities, or

(b) if the insurer is in liquidation or is adjudged as an insolvent, or

(c) if the business or a class of the business of the insurer has been transferred to any person or has been transferred to or amalgamated with the business of any other insurer without the approval of the Authority, or

(d) if the insurer makes default in complying with, or acts in contravention of, any requirement of this Act or of any rule or any regulation or order made or, any direction issued thereunder, or

(e) if the Authority has reason to believe that any claim upon the insurer arising in India under any policy of insurance remains unpaid for three months after final judgment in regular court of law, or

(f) if the insurer carries on any business other than insurance business or any prescribed business, or

(g) if the insurer makes a default in complying with any direction issued or order made, as the case may be, by the Authority under the Insurance Regulatory and Development Authority Act, 1999, or

41 of 1999.

(h) if the insurer makes a default in complying with, or acts in contravention of, any requirement of the Companies Act, 2013 or the General Insurance Business (Nationalisation) Act, 1972 or the Foreign Exchange Management Act, 1999 or the Prevention of Money Laundering Act, 2002, or

18 of 2013.
57 of 1972.
42 of 1999.
15 of 2002.

(i) if the insurer fails to pay the annual fee required under section 3A, or

(j) if the insurer is convicted for an offence under any law for the time being in force, or

(k) if the insurer being a co-operative society set up under the relevant State laws or, as the case may be, the Multi-State Co-operative Societies Act, 2002, contravenes the provisions of law as may be applicable to the insurer.

39 of 2002.

(5) When the Authority suspends or cancels any registration under clause (a), clause (d), clause (e), clause (f), clause (g) or clause (i) of sub-section (4), it shall give notice in writing to the insurer of its decision, and the decision shall take effect on such date as it may specify in that behalf in the notice, such date not being less than one month not more than two months from the date of the receipt of the notice in the ordinary course of transmission.

(5A) When the Authority suspends or cancels any registration under clause (b), (c), (j) or (k) of sub-section (4), the suspension or cancellation, as the case may be, shall take effect on the date on which notice of the order of suspension or cancellation is served on the insurer.;"

(vi) for sub-section (5C), the following sub-section shall be substituted, namely:—

"(5C) Where a registration is suspended or cancelled under clause (a), clause (d), clause (e), clause (f), clause (g) or clause (i) of sub-section (4), the Authority may at its discretion revive the registration, if the insurer within six

41 of 1999.

months from the date on which the suspension or cancellation took effect complies with the provisions of section 64VA as to the excess of the value of his assets over the amount of his liabilities or has had an application under sub-section (4) of section 3A accepted, or satisfies the Authority that no claim upon him such as is referred to in clause (e) of sub-section (4) remains unpaid or that he has complied with any requirement of this Act or the Insurance Regulatory and Development Authority Act, 1999, or of any rule or any regulation, or any order made thereunder or any direction issued under those Acts, or that he has ceased to carry on any business other than insurance business or any prescribed business, as the case may be, and complies with any directions which may be given to him by the Authority."

7. For section 3A of the Insurance Act, the following section shall be substituted, namely:—

Substitution of new section for section 3A.

"3A. (1) An insurer who has been granted a certificate of registration under section 3 shall pay such annual fee to the Authority in such manner as may be specified by the regulations.

Payment of annual fee by insurer.

(2) Any failure to deposit the annual fee shall render the certificate of registration liable to be cancelled."

8. For section 4 of the Insurance Act, the following section shall be substituted, namely:—

Substitution of new section for section 4.

"4. The insurer shall pay or undertake to pay on any policy of life insurance or a group policy issued, a minimum annuity and other benefits as may be determined by regulations excluding any profit or bonus provided that this shall not prevent an insurer from converting any policy into a paid-up policy of any value or payment of surrender value of any amount."

Minimum limits for annuities and other benefits secured by policies of life insurance.

9. In section 5 of the Insurance Act,—

Amendment of section 5.

(i) in sub-section (1), both the provisos shall be omitted;

(ii) sub-section (3) shall be omitted.

10. For section 6 of the Insurance Act, the following section shall be substituted, namely:—

Substitution of new section for section 6.

"6. (1) No insurer not being an insurer as defined in sub-clause (d) of clause (9) of section 2, carrying on the business of life insurance, general insurance, health insurance or re-insurance in India or after the commencement of the Insurance Regulatory and Development Authority Act, 1999, shall be registered unless he has,—

Requirement as to capital.

(i) a paid-up equity capital of rupees one hundred crore, in case of a person carrying on the business of life insurance or general insurance; or

(ii) a paid-up equity capital of rupees one hundred crore, in case of a person carrying on exclusively the business of health insurance; or

(iii) a paid-up equity capital of rupees two hundred crore, in case of a person carrying on exclusively the business as a re-insurer:

41 of 1999.

Provided that the insurer, may enhance the paid-up equity capital, as provided in this section in accordance with the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 and the rules, regulations or directions issued thereunder or any other law for the time being in force:

18 of 2013.
15 of 1992.

Provided further that in determining the paid-up equity capital, any preliminary expenses incurred in the formation and registration of any insurer as may be specified by the regulations made under this Act, shall be excluded.

(2) No insurer, as defined in sub-clause (d) of clause (9) of section 2, shall be registered unless he has net owned funds of not less than rupees five thousand crore."

Amendment
of section
6A.

11. In section 6A of the Insurance Act.—

(i) for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) No public company limited by shares having its registered office in India, shall carry on life insurance business or general insurance business or health insurance business or re-insurance business, unless it satisfies the following conditions, namely:—

(i) that the capital of the company shall consist of equity shares each having a single face value and such other form of capital, as may be specified by the regulations;

(ii) that the voting rights of shareholders are restricted to equity shares;

(iii) that, except during any period not exceeding one year allowed by the company for payment of calls on shares, the paid-up amount is the same for all shares, whether existing or new:

Provided that the conditions specified in this sub-section shall not apply to a public company which has, before the commencement of the Insurance (Amendment) Act, 1950, issued any shares other than ordinary shares each of which has a single face value or any shares, the paid-up amount whereof is not the same for all of them for a period of three years from such commencement.";

47 of 1950.

(ii) in sub-section (2), after the words "paid-up amount of the", the word "equity" shall be inserted;

(iii) for sub-section (4), the following sub-section shall be substituted, namely:—

"(4) A public company as aforesaid which carries on life insurance business, general and health insurance business and re-insurance business—

(a) shall, in addition to the register of members maintained under the Companies Act, 2013, maintain a register of shares in which the name, occupation and address of the beneficial owner of each share shall be entered including any change of beneficial owner declared to it within fourteen days from the receipt of such declaration;

18 of 2013.

(b) shall not register any transfer of its shares—

(i) unless, in addition to compliance being made with the provisions of section 56 of the Companies Act, 2013, the transferee furnishes a declaration in the prescribed form as to whether he

18 of 2013.

proposes to hold the shares for his own benefit or as a nominee, whether jointly or severally, on behalf of others and in the latter case giving the name, occupation and address of the beneficial owner or owners, and the extent of the beneficial interest of each;

(ii) where, after the transfer, the total paid-up holding of the transferee in the shares of the company is likely to exceed five per cent. of its paid-up capital unless the previous approval of the Authority has been obtained to the transfer;

(iii) where, the nominal value of the shares intended to be transferred by any individual, firm, group, constituents of a group, or body corporate under the same management, jointly or severally exceeds one per cent. of the paid-up equity capital of the insurer, unless the previous approval of the Authority has been obtained for the transfer.

Explanation.—For the purposes of this sub-clause, the expressions "group" and "same management" shall have the meanings respectively assigned to them in the Competition Act, 2002.";

12 of 2003.

(iv) sub-sections (3), (6), (7), (8), (9) and (10) shall be omitted;

(v) in sub-section (11),—

(a) in the opening portion, the words, brackets and figures "except those of sub-sections (7), (8) and (9)" shall be omitted;

(b) in clause (i), the word "and" shall be omitted;

(c) clause (ii) shall be omitted;

(d) in the *Explanation* 1, in clause (ii), in sub-clause (c), the words "managing agent" shall be omitted.

12. Section 6AA of the Insurance Act shall be omitted.

Omission of
section 6AA.
Amendment
of section 6B.

13. In section 6B of the Insurance Act,—

(i) in sub-section (1),—

(a) for the words "life insurance business", the words "life or general or health insurance or re-insurance business" shall be substituted; and

(b) for the words "Central Government", the word "Authority" shall be substituted;

(ii) in sub-sections (2) and (3), for the words "High Court", the words "the Securities Appellate Tribunal" shall be substituted;"

(iii) sub-section (4) shall be omitted.

14. Sections 6C, 7, 8 and 9 of the Insurance Act shall be omitted.

Omission of
sections 6C,
7, 8 and 9.

15. In section 10 of the Insurance Act,—

(i) in sub-section (1), for the words "prescribed in this behalf", the words "specified by the regulations" shall be substituted;

(ii) in sub-section (2),—

(a) the words, brackets and figures, "after the expiry of six months from the commencement of the Insurance (Amendment) Act, 1946", shall be omitted;

Amendment
of section 10.

6 of 1946.

(b) the words "under the law of the insurer's country" occurring at the end, shall be omitted.

(iii) after sub-section (2A), the following sub-section shall be inserted, namely:—

"(2AA) Where the insurer carries on the business of insurance, all receipts due in respect of each sub-class of such insurance business shall be carried to and shall form a separate fund, the assets of which shall be kept separate and distinct from other assets of the insurer and every insurer shall submit to the Authority the necessary details of such funds as may be required by the Authority from time to time and such funds shall not be applied directly or indirectly, save as expressly permitted under this Act or regulations made thereunder."

Substitution
of new
section for
section 11.

16. For section 11 of the Insurance Act, the following section shall be substituted, namely:—

Accounts and
balance sheet.

"11. (1) Every insurer, on or after the date of the commencement of the Insurance Laws (Amendment) Act, 2015, in respect of insurance business transacted by him and in respect of his shareholders' funds, shall, at the expiration of each financial year, prepare with reference to that year, balance sheet, a profit and loss account, a separate account of receipts and payments, a revenue account in accordance with the regulations as may be specified.

(2) Every insurer shall keep separate accounts relating to funds of shareholders and policyholders.

(3) Unless the insurer is a company as defined in clause (20) of section 2 of the Companies Act, 2013, the accounts and statements referred to in sub-section (1) shall be signed by the insurer, or in the case of a company by the chairman, if any, and two directors and the principal officer of the company, or in case of an insurance cooperative society by the person in charge of the society and shall be accompanied by a statement containing the names, descriptions and occupations of, and the directorships held by, the persons in charge of the management of the business during the period to which such accounts and statements refer and by a report on the affairs of the business during that period."

18 of 2013.

Substitution
of new
section for
section 12.

17. For section 12 of the Insurance Act, the following section shall be substituted, namely:—

Audit.

"12. The balance sheet, profit and loss account, revenue account and profit and loss appropriation account of every insurer, in respect of all insurance business transacted by him, shall, unless they are subject to audit under the Companies Act, 2013, be audited annually by an auditor, and the auditor shall in the audit of all such accounts have the powers of, exercise the functions vested in, and discharge the duties and be subject to the liabilities and penalties imposed on, auditors of companies by section 147 of the Companies Act, 2013."

18 of 2013.

Amendment
of section 13.

18. In section 13 of the Insurance Act,—

(i) for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) Every insurer carrying on life insurance business shall, once at least every year cause an investigation to be made by an actuary into the financial condition of the life insurance business carried on by him, including a valuation of his liabilities in respect thereto and shall cause an abstract of the report of such actuary to be made in accordance with the regulations:

Provided that the Authority may, having regard to the circumstances of any particular insurer, allow him to have the investigation made as at a date not later than two years from the date as at which the previous investigation was made:

41 of 1999.

Provided further that every insurer, on or after the commencement of the Insurance Regulatory and Development Authority Act, 1999, shall cause an abstract of the report of the actuary to be made in such manner as may be specified by the regulations.";

(ii) for sub-section (4), the following sub-section shall be substituted, namely:—

"(4) There shall be appended to every such abstract a statement prepared in such form and in such manner as may be specified by the regulations:

Provided that, if the investigation referred to in sub-sections (1) and (2) is made annually by any insurer, the statement need not be appended every year but shall be appended at least once in every three years.";

(iii) for sub-section (6), the following sub-section shall be substituted, namely:—

'(6) The provisions of this section relating to the life insurance business shall apply also to any such sub-class of insurance business included in the class "Miscellaneous Insurance" and the Authority may authorise such modifications and variations of regulations as may be necessary to facilitate their application to any such sub-class of insurance business:

Provided that, if the Authority is satisfied that the number and amount of the transactions carried out by an insurer in any such sub-class of insurance business is so small as to render periodic investigation and valuation unnecessary, it may exempt that insurer from the operation of this sub-section in respect of that sub-class of insurance business.'

19. For section 14 of the Insurance Act, the following section shall be substituted, namely:—

Substitution
of new
section for
section 14.

"14. (1) Every insurer, in respect of all business transacted by him, shall maintain—

Record of
policies and
claims.

(a) a record of policies, in which shall be entered, in respect of every policy issued by the insurer, the name and address of the policyholder, the date when the policy was effected and a record of any transfer, assignment or nomination of which the insurer has notice;

(b) a record of claims, every claim made together with the date of the claim, the name and address of the claimant and the date on which the claim was discharged, or, in the case of a claim which is rejected, the date of rejection and the grounds thereof; and

(c) a record of policies and claims in accordance with clauses (a) and (b) may be maintained in any such form, including electronic mode, as may be specified by the regulations made under this Act.

(2) Every insurer shall, in respect of all business transacted by him, endeavour to issue policies above a specified threshold in terms of sum assured and premium in electronic form, in the manner and form to be specified by the regulations made under this Act."

Substitution of new section for section 15.
Submission of returns.

20. For section 15 of the Insurance Act, the following section shall be substituted, namely:—

"15. (1) The audited accounts and statements referred to in section 11 or sub-section (5) of section 13 and the abstract and statement referred to in section 13 shall be printed, and four copies thereof shall be furnished as returns to the Authority within six months from the end of the period to which they refer.

(2) Of the four copies so furnished, one shall be signed in the case of a company by the chairman and two directors and by the principal officer of the company and, if the company has a managing director by that managing director and one shall be signed by the auditor who made the audit or the actuary who made the valuation, as the case may be."

Omission of section 16.
Omission of sections 17 and 17A.
Amendment of section 20.

21. Section 16 of the Insurance Act shall be omitted.

22. Sections 17 and 17A of the Insurance Act shall be omitted.

23. In section 20 of the Insurance Act,—

(i) for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) Every return furnished to the Authority or certified copy thereof shall be kept by the Authority and shall be open to inspection; and any person may procure a copy of any such return, or of any part thereof, on payment of such fee as may be specified by the regulations.";

(ii) in sub-section (2), the words and figures "or section 16" shall be omitted;

(iii) in sub-section (3), for the words "one rupee", the words "such fee as may be specified by the regulations" shall be substituted.

Amendment of section 21.

24. In section 21 of the Insurance Act,—

(i) in sub-section (1), in clause (d), the words and figures "or section 16" shall be omitted;

(ii) for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) The Securities Appellate Tribunal may, on the application of an insurer and after hearing the Authority, cancel any order made by the Authority under clause (d) of sub-section (1) or may direct the acceptance of such a return which the Authority has declined to accept, if the insurer satisfies the Tribunal that the action of the Authority was in the circumstances unreasonable:

Provided that no application under this sub-section shall be entertained unless it is made before the expiration of four months from the date when the Authority made the order or declined to accept the return."

Amendment of section 22.

25. In section 22 of the Insurance Act,—

(i) in sub-section (1), the words, brackets, letter and figures "or an abstract of a valuation report furnished under clause (c) of sub-section (2) of section 16" shall be omitted;

(ii) in sub-section (2), the words, brackets and figures "or, as the case may be, of sub-section (2) of section 16" shall be omitted.

Substitution of new sections for sections 27, 27A, 27B, 27C and 27D.

26. For sections 27, 27A, 27B, 27C and 27D of the Insurance Act, the following sections shall be substituted, namely:—

Investment of assets.

'27. (1) Every insurer shall invest and at all times keep invested assets equivalent to not less than the sum of—

(a) the amount of his liabilities to holders of life insurance policies in India on account of matured claims, and

(b) the amount required to meet the liability on policies of life insurance maturing for payment in India,

less—

(i) the amount of premiums which have fallen due to the insurer on such policies but have not been paid and the days of grace for payment of which have not expired, and

(ii) any amount due to the insurer for loans granted on and within the surrender values of policies of life insurance maturing for payment in India issued by him or by an insurer whose business he has acquired and in respect of which he has assumed liability in the following manner, namely:—

(a) twenty-five per cent. of the said sum in Government securities, a further sum equal to not less than twenty-five per cent. of the said sum in Government securities or other approved securities; and

(b) the balance in any of the approved investments,

as may be specified by the regulations subject to the limitations, conditions and restrictions specified therein.

(2) In the case of an insurer carrying on general insurance business, twenty per cent. of the assets in Government Securities, a further sum equal to not less than ten per cent. of the assets in Government Securities or other approved securities and the balance in any other investment in accordance with the regulations of the Authority and subject to such limitations, conditions and restrictions as may be specified by the Authority in this regard.

Explanation.—In this section, the term "assets" means all the assets of insurer at their carrying value but does not include any assets specifically held against any fund or portion thereof in respect of which the Authority is satisfied that such fund or portion thereof, as the case may be, is regulated by the law of any country outside India or miscellaneous expenditure or in respect of which the Authority is satisfied that it would not be in the interest of the insurer to apply the provisions of this section.

(3) For the purposes of sub-sections (1) and (2), any specified assets shall, subject to such conditions, if any, as may be specified, be deemed to be assets invested or kept invested in approved investments specified by regulations.

(4) In computing the assets referred to in sub-sections (1) and (2), any investment made with reference to any currency other than the Indian rupee which is in excess of the amount required to meet the liabilities of the insurers in India with reference to that currency, to the extent of such excess, shall not be taken into account:

Provided that nothing contained in this sub-section shall affect the operation of sub-section (2):

Provided further that the Authority may, either generally or in any particular case, direct that any investment shall, subject to such conditions as may be imposed, be taken into account, in such manner as may be specified in computing the assets referred to in sub-sections (1) and (2) and where any direction has been issued under this proviso, copies thereof shall be laid before each house of Parliament as soon as may be after it is issued.

(5) Where an insurer has accepted re-insurance in respect of any policies of life insurance issued by another insurer and maturing for payment in India or has ceded re-insurance to another insurer in respect of any such policies issued by himself, the sum referred to in sub-section (1) shall be increased by the amount of the liability involved in such acceptance and decreased by the amount of the liability involved in such cession.

(6) The Government securities and other approved securities in which assets are under sub-section (1) or sub-section (2) to be invested and kept invested shall be held by the insurer free of any encumbrance, charge, hypothecation or lien.

(7) The assets required by this section to be held invested by an insurer incorporated or domiciled outside India shall, except to the extent of any part thereof which consists of foreign assets held outside India, be held in India and all such assets shall be held in trust for the discharge of the liabilities of the nature referred to in sub-section (1) and shall be vested in trustees resident in India and approved by the Authority, and the instrument of trust under this sub-section shall be executed by the insurer with the approval of the Authority and shall define the manner in which alone the subject-matter of the trust shall be dealt with.

Explanation.—This sub-section shall apply to an insurer incorporated in India whose share capital to the extent of one-third is owned by, or the members of whose governing body to the extent of one-third consists of members domiciled elsewhere than in India.

Further
provisions
regarding
investments.

27A. (1) No insurer carrying on life insurance business shall invest or keep invested any part of his controlled fund and no insurer carrying on general business shall invest or keep invested any part of his assets otherwise than in any of the approved investments as may be specified by the regulations subject to such limitations, conditions and restrictions therein.

(2) Notwithstanding anything contained in sub-section (1) or sub-section (2) of section 27, an insurer may, subject to the provisions contained in the next succeeding sub-sections, invest or keep invested any part of his controlled fund or assets otherwise than in an approved investment, if—

(i) after such investment, the total amounts of all such investments of the insurer do not exceed fifteen per cent. of the sum referred to in sub-section (1) of section 27 or fifteen per cent. of the assets referred to in sub-section (2) as the case may be;

(ii) the investment is made, or, in the case of any investment already made, the continuance of such investment is with the consent of all the directors present at a meeting and eligible to vote, special notice of which has been given to all the directors then in India, and all such investments, including investments in which any director is interested, are reported without delay to the Authority with full details of the investments and the extent of the director's interest in any such investment.

(3) An insurer shall not out of his controlled fund or assets as referred to in section 27,—

(a) invest in the shares of any one banking company; or

(b) invest in the shares or debentures of any one company,

more than the percentage specified by the regulations.

(4) An insurer shall not out of his controlled fund or assets as referred to in sub-section (2) of section 27 invest or keep invested in the shares or debentures of any private limited company.

(5) All assets forming the controlled fund or assets as referred to in sub-section (2) of section 27, not being Government securities or other approved securities in which assets are to be invested or held invested in accordance with this section, shall (except for a part thereof not exceeding one-tenth of the controlled fund or assets as referred to in sub-section (2) thereof in value which may, subject to such conditions and restrictions as may be prescribed, be offered as security for any loan

taken for purposes of any investment), be held free of any encumbrance, charge, hypothecation or lien.

(6) If at any time the Authority considers any one or more of the investments of an insurer to be unsuitable or undesirable, the Authority may, after giving the insurer an opportunity of being heard, direct him to realise the investment or investments, and the insurer shall comply with the direction within such time as may be specified in this behalf by the Authority.

(7) Nothing contained in this section shall be deemed to affect in any way the manner in which any moneys relating to the provident fund of any employee or to any security taken from any employee or other moneys of a like nature are required to be held by or under any Central Act, or Act of a State legislature.

Explanation.—In this section "controlled fund" means—

(a) in the case of any insurer carrying on life insurance business—

(i) all his funds, if he carries on no other class of insurance business;

(ii) all the funds in India appertaining to his life insurance business if he carries on some other class of insurance business also.

Explanation.—For the purposes of sub-clauses (i) and (ii), the fund does not include any fund or portion thereof in respect of which the Authority is satisfied that such fund or portion, as the case may be, is regulated by the law in force of any country outside India or it would not be in the interest of the insurer to apply the provisions of this section;

(b) in the case of any other insurer carrying on life insurance business—

(i) all his funds in India, if he carries on no other class of insurance business;

(ii) all the funds in India appertaining to his life insurance business if he carries on some other class of insurance business also; but does not include any fund or portion thereof in respect of which the Authority is satisfied that such fund or portion thereof, as the case may be, is regulated by the law of any country outside India or in respect of which the Authority is satisfied that it would not be in the interest of the insurer to apply the provisions of this section.

27B. (1) All assets of an insurer carrying on general insurance business shall, subject to such conditions, if any, as may be prescribed, be deemed to be assets invested or kept invested in approved investments specified in section 27.

Provisions regarding investments of assets of insurer carrying general insurance business.

(2) All assets shall (except for a part thereof not exceeding one-tenth of the total assets in value which may subject to such conditions and restrictions as may be prescribed, be offered as security for any loan taken for purposes of any investment or for payment of claims, or which may be kept as security deposit with the banks for acceptance of policies) be held free of any encumbrance, charge, hypothecation or lien.

(3) Without prejudice to the powers conferred on the Authority by sub-section (5) of section 27A nothing contained in this section shall be deemed to require any insurer to realise any investment made in conformity with the provisions of sub-section (1) of section 27 after the commencement of the Insurance (Amendment) Act, 1968, which, after the making thereof, has ceased to be an approved investment within the meaning of this section.

27C. An insurer may invest not more than five per cent. in aggregate of his controlled fund or assets as referred to in sub-section (2) of section 27 in the companies

Investment by insurer in certain cases.

belonging to the promoters, subject to such conditions as may be specified by the regulations.

Manner and condition of investment.

27D. (1) Without prejudice to anything contained in this section, the Authority may, in the interests of the policyholders, specify by the regulations, the time, manner and other conditions of investment of assets to be held by an insurer for the purposes of this Act.

(2) The Authority may give specific directions for the time, manner and other conditions subject to which the funds of policyholders shall be invested in the infrastructure and social sector as may be specified by the regulations and such regulations shall apply uniformly to all the insurers carrying on the business of life insurance, general insurance, or health insurance or re-insurance in India on or after the commencement of the Insurance Regulatory and Development Authority Act, 1999.

41 of 1999.

(3) The Authority may, after taking into account the nature of business and to protect the interests of the policyholders, issue to an insurer the directions relating to the time, manner and other conditions of investment of assets to be held by him:

Provided that no direction under this sub-section shall be issued unless the insurer concerned has been given a reasonable opportunity of being heard.

Prohibition for investment of funds outside India.

27E. No insurer shall directly or indirectly invest outside India the funds of the policyholders.'.

Substitution of new section for section 28, section 28A and section 28B.

27. For section 28, section 28A and section 28B of the Insurance Act, the following section shall be substituted, namely:—

Statement and return of investment of assets.
Substitution of new section for section 29.

"28. Every insurer shall submit to the Authority returns giving details of investments made, in such form, time and manner including its authentication as may be specified by the regulations."

28. For section 29 of the Insurance Act, the following section shall be substituted, namely:—

Prohibition of loans.

"29. (1) No insurer shall grant loans or temporary advances either on hypothecation of property or on personal security or otherwise, except loans on life insurance policies issued by him within their surrender value, to any director, manager, actuary, auditor or officer of the insurer, if a company or to any other company or firm in which any such director, manager, actuary or officer holds the position of a director, manager, actuary, officer or partner:

Provided that nothing contained in this sub-section shall apply to such loans, made by an insurer to a banking company, as may be specified by the Authority:

Provided further that nothing in this section shall prohibit a company from granting such loans or advances to a subsidiary company or to any other company of which the company granting the loan or advance is a subsidiary company if the previous approval of the Authority is obtained for such loan or advance.

(2) The provisions of section 185 of the Companies Act, 2013 shall not apply to a loan granted to a director of an insurer being a company, if the loan is one granted on the security of a policy on which the insurer bears the risk and the policy was issued to the director on his own life, and the loan is within the surrender value of the policy.

18 of 2013.

(3) Subject to the provisions of sub-section (1), no insurer shall grant—

(a) any loans or temporary advances either on hypothecation of property or on personal security or otherwise, except such loans as may be specified by the regulations including the loans sanctioned as part of their salary package to the full-time employees of the insurer as per the scheme duly approved by its Board of Directors;

(b) temporary advances to any insurance agent to facilitate the carrying out of his functions as such except in cases where such advances do not exceed in the aggregate the renewal commission earned by him during the immediately preceding year.

(4) Where any event occurs giving rise to circumstances, the existence of which at the time of grant of any subsisting loan or advance would have made such grant a contravention of this section, such loan or advance shall, notwithstanding anything in any contract to the contrary, be repaid within three months from the occurrence of such event.

(5) In case of default in complying with the provisions of sub-section (4), the director, manager, auditor, actuary, officer or insurance agent concerned shall, without prejudice to any other penalty which he may incur, cease to hold office under, or to act for, the insurer granting the loan on the expiry of three months."

29. For section 30 of the Insurance Act, the following section shall be substituted, namely:—

Substitution
of new
section for
section 30.

"30. If by reason of a contravention of any of the provisions of section 27, 27A, 27B, 27C, 27D or section 29, any loss is sustained by the insurer or by the policyholders, every director, manager or officer who is knowingly a party to such contravention shall, without prejudice to any other penalty to which he may be liable under this Act, be jointly and severally liable to make good the amount of such loss."

Liability of
directors, etc.,
for loss due to
contravention
of section 27,
27A, 27B,
27C, 27D or
section 29.

30. In section 31 of the Insurance Act, for sub-section (I), the following sub-section shall be substituted, namely:—

Amendment
of section 31.

"(I) None of the assets in India of any insurer shall, except in so far as assets are required to be vested in trustees under sub-section (7) of section 27, be kept otherwise than in the name of a public officer approved by the Authority, or in the corporate name of the undertaking, if a company or an insurance co-operative society, as the case may be."

31. In section 31A of the Insurance Act,—

Amendment
of section
31A.

(a) in sub-section (I), in clause (c)—

(I) for sub-clauses (i) and (ii) to the proviso, the following sub-clause shall be substituted, namely:—

"(i) the payment of commission to an insurance agent, in respect of insurance business procured by or through him;"

(II) clause (iii) to the proviso shall be omitted;

(b) in sub-section (3), for the words, figures and letter "or in section 86B of the Indian Companies Act, 1913", the words "or in any other law for the time being in force" shall be substituted.

7 of 1913.

32. For section 31B of the Insurance Act, the following section shall be substituted, namely:—

Substitution
of new
section for
section 31B.

"31B. No insurer shall in respect of insurance business transacted by him, shall pay to any person by way of remuneration, whether by way of commission or otherwise in excess of such sum as may be specified by the regulations."

Power to
restrict
payment of
excessive
remuneration.

Omission of section 32.	33. Section 32 of the Insurance Act shall be omitted.
Amendment of section 32A.	<p>34. In section 32A of the Insurance Act,—</p> <p>(i) in sub-section (1), the words, brackets, letter and figures "specified in sub-clause (b) of clause (9) of section 2 and," shall be omitted;</p> <p>(ii) sub-sections (2) and (3) shall be omitted.</p>
Amendment of section 32B.	35. In section 32B of the Insurance Act, for the words "rural or social sector", the words "rural and social sectors" shall be substituted.
Insertion of new section 32D.	36. After section 32C of the Insurance Act, the following section shall be inserted, namely:—
Obligation of insurer in respect of insurance business in third party risks of motor vehicles.	<p>"32D. Every insurer carrying on general insurance business shall, after the commencement of the Insurance Laws (Amendment) Act, 2015, underwrite such minimum percentage of insurance business in third party risks of motor vehicles as may be specified by the regulations:</p> <p>Provided that the Authority may, by regulations, exempt any insurer who is primarily engaged in the business of health, re-insurance, agriculture, export credit guarantee, from the application of this section."</p>
Substitution of new section for section 33.	37. For section 33 of the Insurance Act, the following section shall be substituted, namely:—
Power of investigation and inspection by Authority.	<p>'33. (1) The Authority may, at any time, if it considers expedient to do so by order in writing, direct any person (herein referred to as "Investigating Officer") specified in the order to investigate the affairs of any insurer or intermediary or insurance intermediary, as the case may be, and to report to the Authority on any investigation made by such Investigating Officer:</p> <p>Provided that the Investigating Officer may, wherever necessary, employ any auditor or actuary or both for the purpose of assisting him in any investigation under this section.</p> <p>(2) Notwithstanding anything to the contrary contained in section 210 of the Companies Act, 2013, the Investigating Officer may, at any time, and shall, on being directed so to do by the Authority, cause an inspection to be made by one or more of his officers of the books of account of any insurer or intermediary or insurance intermediary, as the case may be, and the Investigating Officer shall supply to the insurer or intermediary or insurance intermediary, as the case may be, a copy of the report on such inspection.</p> <p>(3) It shall be the duty of every manager, managing director or other officer of the insurer including a service provider, contractor of an insurer where services are outsourced by the insurer, or intermediary or insurance intermediary, as the case may be, to produce before the Investigating Officer directed to make the investigation under sub-section (1), or inspection under sub-section (2), all such books of account, registers, other documents and the database in his custody or power and to furnish him with any statement and information relating to the affairs of the insurer or intermediary or insurance intermediary, as the case may be, as the Investigating Officer may require of him within such time as the said Investigating Officer may specify.</p> <p>(4) Any Investigating Officer, directed to make an investigation under sub-section (1), or inspection under sub-section (2), may examine on oath, any manager, managing director or other officer of the insurer including a service provider or contractor where the services are outsourced by the insurer or intermediary or insurance intermediary, as the case may be, in relation to his business.</p> <p>(5) The Investigating Officer shall, if he has been directed by the Authority to cause an inspection to be made, make a report to the Authority on such inspection.</p>

(6) On receipt of any report under sub-section (1) or sub-section (5), the Authority may, after giving such opportunity to the insurer or intermediary or insurance intermediary, as the case may be, to make a representation in connection with the report as, in the opinion of the Authority, seems reasonable, by order in writing, —

(a) require the insurer, to take such action in respect of any matter arising out of the report as the Authority may think fit; or

(b) cancel the registration of the insurer or intermediary or insurance intermediary, as the case may be; or

(c) direct any person to apply to the court for the winding up of the insurer or intermediary or insurance intermediary, as the case may be, if it is a company, whether the registration of the insurer or intermediary or insurance intermediary, as the case may be, has been cancelled under clause (b) or not.

(7) The Authority may by the regulations made by it specify the minimum information to be maintained by insurers or intermediary or insurance intermediary, as the case may be, in their books, the manner in which such information shall be maintained, the checks and other verifications to be adopted by insurers or intermediary or insurance intermediary, as the case may be, in that connection and all other matters incidental thereto as are, in its opinion, necessary to enable the Investigating Officer to discharge satisfactorily his functions under this section.

Explanation.—For the purposes of this section, the expression "insurer" shall include in the case of an insurer incorporated in India—

(a) all its subsidiaries formed for the purpose of carrying on the business of insurance exclusively outside India; and

(b) all its branches whether situated in India or outside India.

(8) Any insurer or intermediary or insurance intermediary aggrieved by any order made under this section may prefer an appeal to the Securities Appellate Tribunal.

(9) All expenses of, and incidental to, any investigation made under this section shall be defrayed by the insurer or intermediary or insurance intermediary, as the case may be, shall have priority over the debts due from the insurer and shall be recoverable as an arrear of land revenue.'.

38. In section 34B of the Insurance Act, for sub-section (4), the following sub-section shall be substituted, namely:—

"(4) If any person in respect of whom an order is made by the Authority under sub-section (1) or under the proviso to sub-section (2), contravenes the provisions of this section, he shall be liable to a penalty of one lakh rupees for each day during which such contravention continues or one crore rupees, whichever is less."

Amendment
of section
34B.

39. In section 34C of the Insurance Act, for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) If the Authority is of opinion that in the public interest or in the interest of an insurer or his policyholders it is necessary so to do, it may, from time to time, by order in writing, appoint, in consultation with the Central Government with effect from such date as may be specified in the order, one or more persons to hold office as additional directors of the insurer:

Amendment
of section
34C.

Provided that the number of additional directors so appointed shall not, at any time, exceed five or one-third of the maximum strength fixed for the Board by the articles of association of the insurer, whichever is less."

Omission of
section 34G.

40. Section 34G of the Insurance Act shall be omitted.

Amendment
of section
34H.

41. In section 34H of the Insurance Act,—

(i) in sub-section (1), for the words "an officer authorised by the Authority", the words "a Deputy Director or an equivalent officer" shall be substituted;

(ii) in sub-sections (7) and (8), for the words "Central Government", the words "Securities Appellate Tribunal" shall be substituted.

Amendment
of section 35.

42. In section 35 of the Insurance Act,—

(i) for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) Notwithstanding anything contained in any other law for the time being in force, no insurance business of an insurer shall be transferred to or amalgamated with the insurance business of any other insurer except in accordance with a scheme prepared under this section and approved by the Authority.";

(ii) in sub-section (3), for clauses (b) and (c), the following clauses shall be substituted, namely:—

"(b) balance sheets in respect of the insurance business of each of the insurers concerned in such amalgamation or transfer, prepared in such forms as may be specified by the regulations;

(c) actuarial reports and abstracts in respect of the life insurance business of each of the insurers so concerned, prepared in conformity with the regulations specified in this regard.".

Substitution of
new section
for section
36.
Sanction of
amalgamation
and transfer
by Authority.

43. For section 36 of the Insurance Act, the following section shall be substituted, namely:—

"36. When any application under sub-section (3) of section 35 is made to the Authority, the Authority shall cause, a notice of the application to be given to the holders of any kind of policy of insurer concerned alongwith statement of the nature and terms of the amalgamation or transfer, as the case may be, to be published in such manner and for such period as it may direct, and, after hearing the directors and considering the objections of the policyholders and any other persons whom it considers entitled to be heard, may approve the arrangement, and shall make such consequential orders as are necessary to give effect to the arrangement.".

Amendment
of section
37A.

44. In section 37A of the Insurance Act, for sub-section (4), the following sub-sections shall be substituted, namely:—

"(4) The scheme shall thereafter be placed before the Central Government for its sanction and the Central Government may sanction the scheme without any modification or with such modifications as it may consider necessary, and the scheme as sanctioned by the Central Government shall come into force on such date as the Central Government may notify in this behalf in the Official Gazette:

Provided that different dates may be specified for different provisions of the scheme.

(4A) Every policyholder or shareholder or member of each of the insurers, before amalgamation, shall have the same interest in, or rights against the insurer resulting from amalgamation as he had in the company of which he was originally a policyholder or shareholder or member:

Provided that where the interests or rights of any shareholder or member are less than his interest in, or rights against, the original insurer, he shall be entitled to compensation, which shall be assessed by the Authority in such manner as may be specified by the regulations.

(4B) The compensation so assessed shall be paid to the shareholder or member by the insurance company resulting from such amalgamation.

(4C) Any member or shareholder aggrieved by the assessment of compensation made by the Authority under sub-section (4A) may within thirty days from the publication of such assessment prefer an appeal to the Securities Appellate Tribunal."

45. For sections 38, 39 and 40 of the Insurance Act, the following sections shall be substituted, namely:—

Substitution of new sections for sections 38, 39 and 40.

"38. (1) A transfer or assignment of a policy of insurance, wholly or in part, whether with or without consideration, may be made only by an endorsement upon the policy itself or by a separate instrument, signed in either case by the transferor or by the assignor or his duly authorised agent and attested by at least one witness, specifically setting forth the fact of transfer or assignment and the reasons thereof, the antecedents of the assignee and the terms on which the assignment is made.

Assignment and transfer of insurance policies.

(2) An insurer may, accept the transfer or assignment, or decline to act upon any endorsement made under sub-section (1), where it has sufficient reason to believe that such transfer or assignment is not *bona fide* or is not in the interest of the policyholder or in public interest or is for the purpose of trading of insurance policy.

(3) The insurer shall, before refusing to act upon the endorsement, record in writing the reasons for such refusal and communicate the same to the policyholder not later than thirty days from the date of the policyholder giving notice of such transfer or assignment.

(4) Any person aggrieved by the decision of an insurer to decline to act upon such transfer or assignment may within a period of thirty days from the date of receipt of the communication from the insurer containing reasons for such refusal, prefer a claim to the Authority.

(5) Subject to the provisions in sub-section (2), the transfer or assignment shall be complete and effectual upon the execution of such endorsement or instrument duly attested but except, where the transfer or assignment is in favour of the insurer, shall not be operative as against an insurer, and shall not confer upon the transferee or assignee, or his legal representative, any right to sue for the amount of such policy or the moneys secured thereby until a notice in writing of the transfer or assignment and either the said endorsement or instrument itself or a copy thereof certified to be correct by both transferor and transferee or their duly authorised agents have been delivered to the insurer:

Provided that where the insurer maintains one or more places of business in India, such notice shall be delivered only at the place where the policy is being serviced.

(6) The date on which the notice referred to in sub-section (5) is delivered to the insurer shall regulate the priority of all claims under a transfer or assignment as between persons interested in the policy; and where there is more than one instrument of transfer or assignment the priority of the claims under such instruments shall be governed by the order in which the notices referred to in sub-section (5) are delivered:

Provided that if any dispute as to priority of payment arises as between assignees, the dispute shall be referred to the Authority.

(7) Upon the receipt of the notice referred to in sub-section (5), the insurer shall record the fact of such transfer or assignment together with the date thereof and the name of the transferee or the assignee and shall, on the request of the person by whom the notice was given, or of the transferee or assignee, on payment of such fee as may be specified by the regulations, grant a written acknowledgement of the receipt of such notice; and any such acknowledgement shall be conclusive evidence against the insurer that he has duly received the notice to which such acknowledgement relates.

(8) Subject to the terms and conditions of the transfer or assignment, the insurer shall, from the date of the receipt of the notice referred to in sub-section (5), recognise the transferee or assignee named in the notice as the absolute transferee or assignee entitled to benefit under the policy, and such person shall be subject to all liabilities and equities to which the transferor or assignor was subject at the date of the transfer or assignment and may institute any proceedings in relation to the policy, obtain a loan under the policy or surrender the policy without obtaining the consent of the transferor or assignor or making him a party to such proceedings.

Explanation.—Except where the endorsement referred to in sub-section (1) expressly indicates that the assignment or transfer is conditional in terms of sub-section (10) hereunder, every assignment or transfer shall be deemed to be an absolute assignment or transfer and the assignee or transferee, as the case may be, shall be deemed to be the absolute assignee or transferee respectively.

(9) Any rights and remedies of an assignee or transferee of a policy of life insurance under an assignment or transfer effected prior to the commencement of the Insurance Laws (Amendment) Act, 2015 shall not be affected by the provisions of this section.

(10) Notwithstanding any law or custom having the force of law to the contrary, an assignment in favour of a person made upon the condition that—

(a) the proceeds under the policy shall become payable to the policyholder or the nominee or nominees in the event of either the assignee or transferee predeceasing the insured; or

(b) the insured surviving the term of the policy, shall be valid:

Provided that a conditional assignee shall not be entitled to obtain a loan on the policy or surrender a policy.

(11) In the case of the partial assignment or transfer of a policy of insurance under sub-section (1), the liability of the insurer shall be limited to the amount secured by partial assignment or transfer and such policyholder shall not be entitled to further assign or transfer the residual amount payable under the same policy.

Nomination by
policyholder.

39. (1) The holder of a policy of life insurance on his own life may, when effecting the policy or at any time before the policy matures for payment, nominate the person or persons to whom the money secured by the policy shall be paid in the event of his death:

Provided that, where any nominee is a minor, it shall be lawful for the policyholder to appoint any person in the manner laid down by the insurer, to receive the money secured by the policy in the event of his death during the minority of the nominee.

(2) Any such nomination in order to be effectual shall, unless it is incorporated in the text of the policy itself, be made by an endorsement on the policy communicated to the insurer and registered by him in the records relating to the policy and any such nomination may at any time before the policy matures for payment be cancelled or changed by an endorsement or a further endorsement or a will, as the case may be, but unless notice in writing of any such cancellation or change has been delivered to the insurer, the insurer shall not be liable for any payment under the policy made *bona fide* by him to a nominee mentioned in the text of the policy or registered in records of the insurer.

(3) The insurer shall furnish to the policyholder a written acknowledgement of having registered a nomination or a cancellation or change thereof, and may charge such fee as may be specified by regulations for registering such cancellation or change.

(4) A transfer or assignment of a policy made in accordance with section 38 shall automatically cancel a nomination:

Provided that the assignment of a policy to the insurer who bears the risk on the policy at the time of the assignment, in consideration of a loan granted by that insurer on the security of the policy within its surrender value, or its reassignment on repayment of the loan shall not cancel a nomination, but shall affect the rights of the nominee only to the extent of the insurer's interest in the policy:

Provided further that the transfer or assignment of a policy, whether wholly or in part, in consideration of a loan advanced by the transferee or assignee to the policyholder, shall not cancel the nomination but shall affect the rights of the nominee only to the extent of the interest of the transferee or assignee, as the case may be, in the policy:

Provided also that the nomination, which has been automatically cancelled consequent upon the transfer or assignment, the same nomination shall stand automatically revived when the policy is reassigned by the assignee or retransferred by the transferee in favour of the policyholder on repayment of loan other than on a security of policy to the insurer.

(5) Where the policy matures for payment during the lifetime of the person whose life is insured or where the nominee or, if there are more nominees than one, all the nominees die before the policy matures for payment, the amount secured by the policy shall be payable to the policyholder or his heirs or legal representatives or the holder of a succession certificate, as the case may be.

(6) Where the nominee or if there are more nominees than one, a nominee or nominees survive the person whose life is insured, the amount secured by the policy shall be payable to such survivor or survivors.

(7) Subject to the other provisions of this section, where the holder of a policy of insurance on his own life nominates his parents, or his spouse, or his children, or his spouse and children, or any of them, the nominee or nominees shall be beneficially entitled to the amount payable by the insurer to him or them under sub-section (6) unless it is proved that the holder of the policy, having regard to the nature of his title to the policy, could not have conferred any such beneficial title on the nominee.

(8) Subject as aforesaid, where the nominee, or if there are more nominees than one, a nominee or nominees, to whom sub-section (7) applies, die after the person whose life is insured but before the amount secured by the policy is paid, the amount secured by the policy, or so much of the amount secured by the policy as represents the share of the nominee or nominees so dying (as the case may be), shall be payable to the heirs or legal representatives of the nominee or nominees or the holder of a succession certificate, as the case may be, and they shall be beneficially entitled to such amount.

(9) Nothing in sub-sections (7) and (8) shall operate to destroy or impede the right of any creditor to be paid out of the proceeds of any policy of life insurance.

(10) The provisions of sub-sections (7) and (8) shall apply to all policies of life insurance maturing for payment after the commencement of the Insurance Laws (Amendment) Act, 2015.

(11) Where a policyholder dies after the maturity of the policy but the proceeds and benefit of his policy has not been made to him because of his death, in such a case, his nominee shall be entitled to the proceeds and benefit of his policy.

(12) The provisions of this section shall not apply to any policy of life insurance to which section 6 of the Married Women's Property Act, 1874, applies or has at any time applied:

Provided that where a nomination made whether before or after the commencement of the Insurance Laws (Amendment) Act, 2015, in favour of the wife of the person who has insured his life or of his wife and children or any of them is expressed, whether or not on the face of the policy, as being made under this section, the said section 6 shall be deemed not to apply or not to have applied to the policy.

Prohibition of payment by way of commission or otherwise for procuring business.

40. (1) No person shall, pay or contract to pay any remuneration or reward, whether by way of commission or otherwise for soliciting or procuring insurance business in India to any person except an insurance agent or an intermediary or insurance intermediary in such manner as may be specified by the regulations.

(2) No insurance agent or intermediary or insurance intermediary shall receive or contract to receive commission or remuneration in any form in respect of policies issued in India, by an insurer in any form in respect of policies issued in India, by an insurer except in accordance with the regulations specified in this regard:

Provided that the Authority, while making regulations under sub-sections (1) and (2), shall take into consideration the nature and tenure of the policy and in particular the interest of the agents and other intermediaries concerned.

(3) Without prejudice to the provisions of section 102 in respect of a contravention of any of the provisions of the preceding sub-sections or the regulations framed in this regard, by an insurer, any insurance agent or intermediary or insurance intermediary who contravenes the said provisions shall be liable to a penalty which may extend to one lakh rupees .".

Omission of section 40A.

46. Section 40A of the Insurance Act shall be omitted.

Substitution of new sections for sections 40B and 40C.

47. For sections 40B and 40C of the Insurance Act, the following sections shall be substituted, namely:—

Limitation of expenses of management in life insurance business.

"40B. No insurer shall, in respect of insurance business transacted by him in India, spend as expenses of management in any financial year any amount exceeding the amount as may be specified by the regulations made under this Act;

Limitation of expenses of management in general, health insurance and re-insurance business.

40C. Every insurer transacting insurance business in India shall furnish to the Authority, the details of expenses of management in such manner and form as may be specified by the regulations made under this Act.".

Amendment of section 41.

48. In section 41 of the Insurance Act, for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.".

Substitution of new section for section 42.

49. For section 42 of the Insurance Act, the following section shall be substituted, namely:—

Appointment of insurance agents.

"42. (1) An insurer may appoint any person to act as insurance agent for the purpose of soliciting and procuring insurance business:

Provided that such person does not suffer from any of the disqualifications mentioned in sub-section (3).

(2) No person shall act as an insurance agent for more than one life insurer, one general insurer, one health insurer and one of each of the other mono-line insurers:

Provided that the Authority shall, while framing regulations, ensure that no conflict of interest is allowed to arise for any agent in representing two or more insurers for whom he may be an agent.

(3) The disqualifications referred to in the proviso to sub-section (1) shall be the following:—

(a) that the person is a minor;

(b) that he is found to be of unsound mind by a court of competent jurisdiction;

(c) that he has been found guilty of criminal misappropriation or criminal breach of trust or cheating or forgery or an abetment of or attempt to commit any such offence by a court of competent jurisdiction:

Provided that where at least five years have elapsed since the completion of the sentence imposed on any person in respect of any such offence, the Authority shall ordinarily declare in respect of such person that his conviction shall cease to operate as a disqualification under this clause;

(d) that in the course of any judicial proceeding relating to any policy of insurance or the winding up of an insurer or in the course of an investigation of the affairs of an insurer it has been found that he has been guilty of or has knowingly participated in or connived at any fraud, dishonesty or misrepresentation against an insurer or insured;

(e) that in the case of an individual, who does not possess the requisite qualifications or practical training or passed the examination, as may be specified by the regulations;

(f) that in the case of a company or firm making, a director or a partner or one or more of its officers or other employees so designated by it and in the case of any other person the chief executive, by whatever name called, or one or more of his employees designated by him, do not possess the requisite qualifications or practical training and have not passed such an examination as required under clauses (e) and (g);

(g) that he has not passed such examination as may be specified by the regulations;

(h) that he has violated the code of conduct as may be specified by the regulations.

(4) Any person who acts as an insurance agent in contravention of the provision of this Act, shall be liable to a penalty which may extend to ten thousand rupees and any insurer or any person acting on behalf of an insurer, who appoints any person as an insurance agent not permitted to act as such or transacts any insurance business in India through any such person shall be liable to penalty which may extend to one crore rupees.

(5) The insurer shall be responsible for all the acts and omissions of its agents including violation of code of conduct specified under clause (h) of sub-section (3) and liable to a penalty which may extend to one crore rupees."

50. For sections 42A, 42B and 42C of the Insurance Act, the following section shall be substituted, namely:—

'42A. (1) No insurer shall, on or after the commencement of the Insurance Laws (Amendment) Act, 2015, appoint any principal agent, chief agent, and special agent and transact any insurance business in India through them.

(2) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance policy through multilevel marketing scheme.

(3) The Authority may, through an officer authorised in this behalf, make a complaint to the appropriate police authorities against the entity or persons involved in the multilevel marketing scheme.

Substitution of new section for sections 42A, 42B and 42C.

Prohibition of insurance business through principal agent, special agent and multilevel marketing.

Explanation.—For the purpose of this section "multilevel marketing scheme" means any scheme or programme or arrangement or plan (by whatever name called) for the purpose of soliciting and procuring insurance business through persons not authorised for the said purpose with or without consideration of whole or part of commission or remuneration earned through such solicitation and procurement and includes enrolment of persons into a multilevel chain for the said purpose either directly or indirectly.'

Amendment
of section
42D.

51. In section 42D of the Insurance Act,—

(i) for the words "licence" and "licence issued", wherever they occur, the words "registration" and "registration made", shall respectively be substituted;

(ii) in sub-section (1), in clause (a) of the proviso, for the word, brackets and figure "sub-section (4)", the word, brackets and figure "sub-section (3)" shall be substituted;

(iii) in sub-section (3),—

(a) after the words "directors or partners", the words "or one or more of its officers or other employees so designated by it and in the case of any other person, the chief executive by whatever name called, or one or more of his employees designated by him" shall be inserted;

(b) for the words, brackets, letters and figures "in clauses (b), (c), (d), (e) and (f) of sub-section (4) of section 42", the words, brackets, letters and figures "in clauses (b), (c), (d), (e) and (g) of sub-section (3) of section 42" shall be substituted;

(iv) for sub-sections (8) and (9), the following sub-sections, shall be substituted, namely:—

"(8) Any person who acts as an intermediary or an insurance intermediary without being registered under this section to act as such, shall be liable to a penalty which may extend to ten lakh rupees and any person who appoints as an intermediary or an insurance intermediary or any person not registered to act as such or transacts any insurance business in India through any such person, shall be liable to a penalty which may extend to one crore rupees.

(9) Where the person contravening sub-section (8) is a company or a firm, then, without prejudice to any other proceedings which may be taken against the company or firm, every director, manager, secretary or other officer of the company, and every partner of the firm who is knowingly a party to such contravention shall be liable to a penalty which may extend to ten lakh rupees."

Substitution
of new
section for
section 42E.

Condition for
intermediary
or insurance
intermediary.

Substitution
of new
section for
section 43.

Record of
insurance
agents.

52. For section 42E of the Insurance Act, the following section shall be substituted, namely:—

"42E. Without prejudice to the provisions contained in this Act, the Authority may, by regulations made in this behalf, specify the requirements of capital, form of business and other conditions, to act as an intermediary or an insurance intermediary."

53. For section 43 of the Insurance Act, the following section shall be substituted, namely:—

"43. (1) Every insurer and every person who, acting on behalf of an insurer employs insurance agents shall maintain a record showing the name and address of every insurance agent appointed by him and the date on which his appointment began and the date, if any, on which his appointment ceased.

(2) The record prepared by the insurer under sub-section (1), shall be maintained as long as the insurance agent is in service and for a period of five years after the cessation of appointment."

54. Section 44 of the Insurance Act shall be omitted.

Omission of section 44.

55. For sections 44A and 45 of the Insurance Act, the following sections shall be substituted, namely:—

Substitution of new sections for sections 44A and 45.

'44A. For the purposes of ensuring compliance with the provisions of sections 40, 40B and 40C, the Authority may, by notice—

Power to call for information.

(a) require from an insurer such information, certified if so required by an auditor or actuary, as it may consider necessary;

(b) require an insurer to submit for its examination at the principal place of business of the insurer in India, any books of account, register or other document, or to supply any statement which may be specified in the notice;

(c) examine any officer of an insurer on oath, in relation to any such information, book, register, document or statement and the insurer, shall comply with any such requirement within such time as may be specified in the notice.

45. (1) No policy of life insurance shall be called in question on any ground whatsoever after the expiry of three years from the date of the policy, *i.e.*, from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later.

Policy not be called in question on ground of misstatement after three years.

(2) A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground of fraud:

Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision is based.

Explanation I.—For the purposes of this sub-section, the expression "fraud" means any of the following acts committed by the insured or by his agent, with intent to deceive the insurer or to induce the insurer to issue a life insurance policy:—

(a) the suggestion, as a fact of that which is not true and which the insured does not believe to be true;

(b) the active concealment of a fact by the insured having knowledge or belief of the fact;

(c) any other act fitted to deceive; and

(d) any such act or omission as the law specially declares to be fraudulent.

Explanation II.—Mere silence as to facts likely to affect the assessment of the risk by the insurer is not fraud, unless the circumstances of the case are such that regard being had to them, it is the duty of the insured or his agent keeping silence, to speak, or unless his silence is, in itself, equivalent to speak.

(3) Notwithstanding anything contained in sub-section (2), no insurer shall repudiate a life insurance policy on the ground of fraud if the insured can prove that the misstatement of or suppression of a material fact was true to the best of his knowledge and belief or that there was no deliberate intention to suppress the fact or that such misstatement of or suppression of a material fact are within the knowledge of the insurer:

Provided that in case of fraud, the onus of disproving lies upon the beneficiaries, in case the policyholder is not alive.

Explanation.—A person who solicits and negotiates a contract of insurance shall be deemed for the purpose of the formation of the contract, to be the agent of the insurer.

(4) A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground that any statement of or suppression of a fact material to the expectancy of the life of the insured was incorrectly made in the proposal or other document on the basis of which the policy was issued or revived or rider issued:

Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision to repudiate the policy of life insurance is based:

Provided further that in case of repudiation of the policy on the ground of misstatement or suppression of a material fact, and not on the ground of fraud, the premiums collected on the policy till the date of repudiation shall be paid to the insured or the legal representatives or nominees or assignees of the insured within a period of ninety days from the date of such repudiation.

Explanation.—For the purposes of this sub-section, the misstatement of or suppression of fact shall not be considered material unless it has a direct bearing on the risk undertaken by the insurer, the onus is on the insurer to show that had the insurer been aware of the said fact no life insurance policy would have been issued to the insured.

(5) Nothing in this section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal.'

56. Sections 47A and 48 of the Insurance Act shall be omitted.

57. For section 48A of the Insurance Act, the following section shall be substituted, namely:—

"48A. No insurance agent or intermediary or insurance intermediary shall be eligible to be or remain a director in insurance company:

Provided that any director holding office at the commencement of the Insurance Laws (Amendment) Act, 2015 shall not become ineligible to remain a director by reason of this section until the expiry of six months from the date of commencement of the said Act:

Provided further that the Authority may permit an agent or intermediary or insurance intermediary to be on the Board of an insurance company subject to such conditions or restrictions as it may impose to protect the interest of policyholders or to avoid conflict of interest."

58. In section 49 of the Insurance Act, in sub-section (1),—

(i) the words, brackets, letters and figures "being an insurer specified in sub-clause (a) (ii) or sub-clause (b) of clause (9) of section 2" shall be omitted;

(ii) the words and figures "or to the Central Government under section 11 of the Indian Life Insurance Companies Act, 1912" shall be omitted.

Omission of sections 47A and 48.

Substitution of new section for section 48A.

Insurance agent or intermediary or insurance intermediary not to be director in insurance company.

Amendment of section 49.

59. For sections 52 and 52A of the Insurance Act, the following sections shall be substituted, namely:—

Substitution of new section for sections 52 and 52A.

"52. No insurer shall commence any business upon the dividing principle, that is to say, on the principle that the benefit secured by a policy is not fixed but depends either wholly or partly on the result of a distribution of certain sums amongst policies becoming claims within certain time-limits, or on the principle that the premiums payable by a policyholder depend wholly or partly on the number of policies becoming claims within certain time-limits:

Prohibition of business on dividing principle.

Provided that nothing in this section shall be deemed to prevent an insurer from allocating bonuses to holders of policies of life insurance as a result of a periodical actuarial valuation either as reversionary additions to the sums insured or as immediate cash bonuses or otherwise.

52A. (1) If at any time the Authority has reason to believe that an insurer carrying on life insurance business is acting in a manner likely to be prejudicial to the interests of holders of life insurance policies, it may, after giving such opportunity to the insurer to be heard appoint an Administrator to manage the affairs of the insurer under the direction and control of the Authority.

When Administrator for management of insurance business may be appointed.

(2) The Administrator shall receive such remuneration as the Authority may direct and the Authority may at any time cancel the appointment and appoint some other person as Administrator."

60. In section 52BB of the Insurance Act,—

Amendment of section 52BB.

(a) in sub-section (2), for the words "the Central Government and the Central Government", the words "the Securities Appellate Tribunal and the Securities Appellate Tribunal" shall be substituted;

(b) in sub-section (3), for the words "Central Government", the words "Securities Appellate Tribunal" shall be substituted;

(c) in sub-section (10), in clause (a), the words "or the Central Government" shall be omitted.

61. For section 52D of the Insurance Act, the following section shall be substituted, namely:—

Substitution of new section for section 52D.

"52D. If at any time, it appears to the Authority that the purpose of the order appointing the Administrator has been fulfilled or that, for any reason, it is undesirable that the order of appointment should remain in force, the Authority may cancel the order and thereupon the Administrator shall be divested of the management of the insurance business which shall, unless otherwise directed by the Authority, again vest in the person in whom it was vested immediately prior to the appointment of the Administrator or any other person appointed by the insurer in this behalf."

Termination of appointment of Administrator.

62. In section 52E of the Insurance Act, for the words "Central Government", the word "Authority" shall be substituted.

Amendment of section 52E.

63. In section 52F of the Insurance Act, for the words "punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both", the words "liable to penalty of rupees ten thousand each day during which such failure continues or rupees ten lakh, whichever is less" shall be substituted.

Amendment of section 52F.

64. In section 52G of the Insurance Act, in sub-section (2), the words "Central Government or" shall be omitted.

Amendment of section 52G.

Omission of sections 52H, 52-I, 52J, 52K, 52L, 52M and 52N.

65. Sections 52H, 52-I, 52J, 52K, 52L, 52M and 52N of the Insurance Act shall be omitted.

Amendment of section 53.

66. In section 53 of the Insurance Act,—

(a) in sub-section (1), the following *Explanation* shall be inserted at the end, namely:—

*‘Explanation.—*For the purpose of sections 53 to 61A, "Tribunal" means the National Company Law Tribunal constituted under sub-section (1) of section 408 of the Companies Act, 2013.’;

18 of 2013.

(b) in sub-section (2), in clause (b), sub-clause (i), shall be omitted.

Amendment of section 58.

67. In section 58 of the Insurance Act, for sub-section (4), the following sub-section shall be substituted, namely:—

"(4) An order of the Tribunal confirming a scheme under this section whereby the memorandum of a company is altered with respect to its objects shall as respects the alteration have effect as if it were an order confirmed under section 4 of the Companies Act, 2013, and the provisions of sections 7 and 17 of that Act shall apply accordingly."

18 of 2013.

Omission of section 59.

68. Section 59 of the Insurance Act shall be omitted.

Amendment of heading.

69. In PART II A of the Insurance Act, for the heading "Insurance Association of India, Councils of The Association and Committees Thereof" the following heading shall be substituted, namely:—

"Life Insurance Council and General Insurance Council and Committees Thereof."

Omission of sections 64A and 64B.

70. Sections 64A and 64B of the Insurance Act shall be omitted.

Substitution of new sections for sections 64C and 64D.

71. For sections 64C and 64D of the Insurance Act the following sections shall be substituted, namely:—

Councils of Life Insurance and General Insurance.

"64C. On and from the date of commencement of this Act,—

(a) the existing Life Insurance Council, a representative body of the insurers, who carry on the life insurance business in India; and

(b) the existing General Insurance Council, a representative body of insurers, who carry on general, health insurance business and re-insurance in India,

shall be deemed to have been constituted as the respective Councils under this Act.

Authorisation to represent in Councils.

64D. It shall be lawful for any member of the Life Insurance Council or the General Insurance Council to authorise any of its officer to act as the representative of such member at any meeting of the Council concerned."

72. For section 64F of the Insurance Act, the following section shall be substituted, namely:—

Substitution
of new
section for
section 64F.

"64F. (1) The Executive Committee of the Life Insurance Council shall consist of the following persons, namely:—

Executive
Committees
of the Life
Insurance
Council and
the General
Insurance
Council.

(a) four representatives of members of the Life Insurance Council elected in their individual capacity by the members in such manner as may be laid down in the bye-laws of the Council;

(b) an eminent person not connected with insurance business, nominated by the Authority;

(c) three persons to represent insurance agents, intermediaries and policyholders respectively as may be nominated by the Authority;

(d) one representative each from self-help groups and Insurance Co-operative Societies:

Provided that one of the representatives as mentioned in clause (a) shall be elected as the Chairperson of the Executive Committee of the Life Insurance Council.

(2) The Executive Committee of the General Insurance Council shall consist of the following persons, namely:—

(a) four representatives of members of the General Insurance Council elected in their individual capacity by the members in such manner as may be laid down in the bye-laws of the Council;

(b) an eminent person not connected with insurance business, nominated by the Authority; and

(c) four persons to represent insurance agents, third party administrators, surveyors and loss assessors and policyholders respectively as may be nominated by the Authority:

Provided that one of the representatives as mentioned in clause (a) shall be elected as the Chairperson of the Executive Committee of the General Insurance Council.

(3) If anybody of persons specified in sub-sections (1) and (2) fails to elect any of the members of the Executive Committees of the Life Insurance Council or the General Insurance Council, the Authority may nominate any person to fill the vacancy, and any person so nominated shall be deemed to be a member of the Executive Committee of the Life Insurance Council or the General Insurance Council, as the case may be, as if he had been duly elected thereto.

(4) Each of the said Executive Committees may make bye-laws for the transaction of any business at any meeting of the said Committee.

(5) The Life Insurance Council or the General Insurance Council may form such other committees consisting of such persons as it may think fit to discharge such functions as may be delegated thereto.

(6) The Secretary of the Executive Committee of the Life Insurance Council and of the Executive Committee of the General Insurance Council shall in each case be appointed by the Executive Committee concerned:

Provided that each Secretary appointed by the Executive Committee concerned shall exercise all such powers and do all such acts as may be authorised in this behalf by the Executive Committee concerned."

73. In section 64G of the Insurance Act, in sub-section (2), for the words "by nomination by the Authority", the words "in such manner as may be laid down in the bye-laws of the Council concerned" shall be substituted.

Amendment
of section
64G.

Omission of section 64-I.	74. Section 64-I of the Insurance Act shall be omitted.
Amendment of section 64J.	<p>75. In section 64J of the Insurance Act, for sub-section (2), the following sub-section shall be substituted, namely:—</p> <p>"(2) For the purpose of enabling it to effectively discharge its functions, the Executive Committee of the Life Insurance Council may collect such fees as may be laid down in the bye-laws made by the Council from the insurers carrying on life insurance business."</p>
Amendment of section 64L.	<p>76. In section 64L of the Insurance Act, for sub-section (2), the following sub-section shall be substituted, namely:—</p> <p>"(2) For the purpose of enabling it to effectively discharge its functions, the Executive Committee of the General Insurance Council may collect such fees as may be laid down in the bye-laws made by the Council from the insurers carrying on general insurance business."</p>
Amendment of section 64N.	77. In section 64N of the Insurance Act, for the words "the Central Government may prescribe", the words "the Authority may specify" shall be substituted.
Amendment of section 64R.	<p>78. In section 64R of the Insurance Act, in sub-section (1),—</p> <p>(a) for clause (c), the following clause shall be substituted, namely:—</p> <p>"(c) keep and maintain up-to-date, a copy of list of all insurers who are members of the either Council;"</p> <p>(b) in clause (d), for the words "with the previous approval of the Authority make regulations for", the words "make bye-laws for" shall be substituted.</p>
Omission of sections 64S and 64T.	79. Sections 64S and 64T of the Insurance Act shall be omitted.
Omission of sections 64U, 64UA, 64UB, 64UC, 64UD, 64UE, 64UF, 64UG, 64UH, 64U-I, 64UJ, 64UK and 64UL.	80. Sections 64U, 64UA, 64UB, 64UC, 64UD, 64UE, 64UF, 64UG, 64UH, 64U-I, 64UJ, 64UK and 64UL of the Insurance Act shall be omitted.
Insertion of new section 64ULA.	81. After section 64UL of the Insurance Act, the following section shall be inserted, namely:—
Transitional provisions.	<p>"64ULA. (1) Notwithstanding anything contained in this Part, until the rates, advantage and terms and conditions laid down by the Advisory Committee under section 64UC are de-notified by the Authority with effect from such date as the Authority may by notification in the Official Gazette determine, and the rates, advantages and terms and conditions are decided by the insurer concerned, the rates, advantages and terms and conditions notified by the Advisory Committee shall continue to be in force and shall always be deemed to have been in force and any such rates, advantages and terms and conditions shall be binding on all the insurers.</p> <p>(2) The Authority shall, in consultation with the Central Government, prepare a scheme for the existing employees of the Tariff Advisory Committee on its dissolution, keeping in view the interests of such employees on such terms and conditions as it may, by order, determine."</p>

82. For section 64UM of the Insurance Act, the following section shall be substituted, namely:—

Substitution
of new
section for
section
64UM.
Surveyors or
loss assessors.

'64UM. (1) Save as otherwise provided in this section, no person shall act as a surveyor or loss assessor in respect of general insurance business after the expiry of a period of one year from the commencement of the Insurance Laws (Amendment) Act, 2015, unless he—

(a) possesses such academic qualifications as may be specified by the regulations made under this Act; and

(b) is a member of a professional body of surveyors and loss assessors, namely, the Indian Institute of Insurance Surveyors and Loss Assessors:

Provided that in the case of a firm or company, all the partners or directors or other persons, who may be called upon to make a survey or assess a loss reported, as the case may be, shall fulfil the requirements of clauses (a) and (b).

(2) Every surveyor and loss assessor shall comply with the code of conduct in respect of his duties, responsibilities and other professional requirements, as may be specified by the regulations made under the Act.

(3) Notwithstanding anything contained in the foregoing provisions, a class or class of persons acting as a licensed surveyor or loss assessor prior to the commencement of the Insurance Laws (Amendment) Act, 2015 shall continue to act as such for such period as may be specified by the regulations made under this Act:

Provided that the surveyor or loss assessor shall, within the period as may be notified by the Authority, satisfy the requirements of clause (a) and clause (b) of sub-section (1), failing which, the surveyor or loss assessor shall be automatically disqualified to act as a surveyor or loss assessor.

(4) No claim in respect of a loss which has occurred in India and requiring to be paid or settled in India equal to or exceeding an amount specified in the regulations by the Authority in value on any policy of insurance, arising or intimated to an insurer at any time after the expiry of a period of one year from the commencement of the Insurance Laws (Amendment) Act, 2015, shall, unless otherwise directed by the Authority, be admitted for payment or settled by the insurer unless he has obtained a report, on the loss that has occurred, from a person who holds a licence issued under this section to act as a surveyor or loss assessor (hereafter referred to as "approved surveyor or loss assessor"):

Provided that nothing in this sub-section shall be deemed to take away or abridge the right of the insurer to pay or settle any claim at any amount different from the amount assessed by the approved surveyor or loss assessor.

(5) The Authority may, at any time, in respect of any claim of the nature referred to in sub-section (4), call for an independent report from any other approved surveyor or loss assessor specified by him and such surveyor or loss assessor shall furnish such report to the Authority within such time as may be specified by the Authority or if no time limit has been specified by him within a reasonable time and the cost of, or incidental to, such report shall be borne by the insurer.

(6) The Authority may, on receipt of a report referred to in sub-section (5), issue such directions as it may consider necessary with regard to the settlement of the claim including any direction to settle a claim at a figure less than, or more than, that at which it is proposed to settle it or it was settled and the insurer shall be bound to comply with such directions:

Provided that where the Authority issues a direction for settling a claim at a figure lower than that at which it has already been settled, the insurer shall be deemed to comply with such direction if he satisfies the Authority that all reasonable steps, with due regard to the question whether the expenditure involved is not disproportionate to the amount required to be recovered, have been taken with due despatch by him:

Provided further that no direction for the payment of a lesser sum shall be made where the amount of the claim has already been paid and the Authority is of opinion that the recovery of the amount paid in excess would cause undue hardship to the insured:

Provided also that nothing in this section shall relieve the insurer from any liability, civil or criminal, to which he would have been subject but for the provisions of this sub-section.

(7) No insurer shall, after the expiry of a period of one year from the commencement of the Insurance Laws (Amendment) Act, 2015 pay to any person any fee or remuneration for surveying, verifying or reporting on a claim of loss under a policy of insurance unless the person making such survey, verification or report is an approved surveyor or loss assessor.

(8) Where, in the case of a claim of less than the amount specified in sub-section (4) in value on any policy of insurance it is not practicable for an insurer to employ an approved surveyor or loss assessor without incurring expenses disproportionate to the amount of the claim, the insurer may employ any other person (not being a person disqualified for the time being for being employed as a surveyor or loss assessor) for surveying such loss and may pay such reasonable fee or remuneration to the person so employed as he may think fit.

(9) The Authority may in respect of any claim of value of less than the amount specified in sub-section (4) on an insurance policy, if the claim has not been or is not proposed to be reported upon by a surveyor or loss assessor, direct that such claim shall be reported upon by an approved surveyor or loss assessor and where the Authority makes such direction, the provisions of sub-sections (5) and (6) shall apply in respect of such claim.

(10) Where, in relation to any class of claims, the Authority is satisfied that it is customary to entrust the work of survey or loss assessment to any person other than a licensed surveyor or loss assessor, or it is not practicable to make any survey or loss assessment, it may, by an order, exempt such class of claims from the operation of this section.’.

83. For sections 64V and 64VA of the Insurance Act, the following sections shall be substituted, namely:—

Substitution
of new
section for
sections 64V
and 64VA.

Assets and
liabilities how
to be valued.

“64V. (1) For the purpose of ascertaining compliance with the provisions of section 64VA, assets shall be valued at value not exceeding their market or realisable value and certain assets may be excluded by the Authority in the manner as may be specified by the regulations made in this behalf.

(2) A proper value shall be placed on every item of liability of the insurer in the manner as may be specified by the regulations made in this behalf.

(3) Every insurer shall furnish to the Authority along with the returns required to be filed under this Act, a statement, certified by an Auditor, approved by the Authority, in respect of general insurance business or an actuary approved by the Authority in respect of life insurance business, as the case may be, of his assets and liabilities assessed in the manner required by this section as on the 31st day of March of each year within such time as may be specified by the regulations.

64VA. (1) Every insurer and re-insurer shall at all times maintain an excess of value of assets over the amount of liabilities of, not less than fifty per cent. of the amount of minimum capital as stated under section 6 and arrived at in the manner specified by the regulations.

Sufficiency of assets.

(2) An insurer or re-insurer, as the case may be, who does not comply with sub-section (1), shall be deemed to be insolvent and may be wound-up by the court on an application made by the Authority.

(3) The Authority shall by way of regulation made for the purpose, specify a level of solvency margin known as control level of solvency on the breach of which the Authority shall act in accordance with the provisions of sub-section (4) without prejudice to taking of any other remedial measures as deemed fit:

Provided that if in respect of any insurer the Authority is satisfied that either by reason of an unfavourable claim experience or because of a sharp increase in the volume of new business, or for any other reason, compliance with the provisions of this sub-section shall cause undue hardship to the insurer, it may direct that for such period and subject to such conditions as it may specify, the provisions of this sub-section shall apply to that insurer with such modifications provided that such modifications shall not result in the control level of solvency being less than what is stipulated under sub-section (1).

(4) If, at any time, an insurer or re-insurer does not maintain the required control level of solvency margin, he shall, in accordance with the directions issued by the Authority, submit a financial plan to the Authority, indicating a plan of action to correct the deficiency within a specified period not exceeding six months.

(5) An insurer who has submitted a plan, as required under sub-section (4), the Authority shall propose modifications to the plan, if the Authority considers the same inadequate, and in such an eventuality, the Authority shall give directions, as may be deemed necessary, including direction in regard to transacting any new business, or, appointment of an administrator or both.

(6) An insurer or re-insurer, as the case may be, who does not comply with the provisions of sub-section (4) shall be deemed to have made default in complying with the requirements of this section.

(7) The Authority shall be entitled at any time to take such steps as it may consider necessary for the inspection or verification of the assets and liabilities of any insurer or re-insurer, or for securing the particulars necessary to establish that the requirements of this section have been complied with as on any date, and the insurer or re-insurer, as the case may be, shall comply with any requisition made in this behalf by the Authority, and in the event of any failure to do so within two months from the receipt of the requisition, the insurer or re-insurer, as the case may be, shall be deemed to have made default in complying with the requirements of this section.

(8) In applying the provisions of sub-section (1) to any insurer or re-insurer, as the case may be, who is a member of a group, the relevant amount for that insurer shall be an amount equal to that proportion of the relevant amount which that group, if considered as a single insurer, would have been required to maintain as the proportion of his share of the risk on each policy issued by the group bears to the total risk on that policy:

Provided that when a group of insurers ceases to be a group, every insurer in that group who continues to carry on any class of insurance business in India shall comply with the requirements of sub-section (1) as if he had not been an insurer in a group at any time:

Provided further that it shall be sufficient compliance of the provisions of the foregoing proviso if the insurer brings up the excess of the value of his assets over the amount of his liabilities to the required amount within a period of six months from the date of cessation of the group:

Provided also that the Authority may, on sufficient cause being shown, extend the said period of six months by such further periods as it may think fit, so, however that the total period may not in any case exceed one year.

(9) Every insurer shall furnish to the Authority return giving details of solvency margin in such form, time, manner including its authentication as may be specified by the regulations.”.

Substitution
of new
section for
section 64VC.

84. For section 64VC of the Insurance Act, the following section shall be substituted, namely:—

Restrictions
on opening of
new place of
business.

“64VC. No insurer shall, after the commencement of the Insurance (Amendment) Act, 1968, open a new place of business or close a place in India or outside India or change otherwise than within the same city, town or village, the location of an existing place of business situated in India or outside India, except in the manner as may be specified by the regulations.”.

62 of 1968.

Omission of
Part III and
Part IIIA.

85. PART III and PART IIIA of the Insurance Act shall be omitted.

Omission of
Part IV.

86. PART IV of the Insurance Act shall be omitted.

Amendment
of section
102.

87. In section 102 of the Insurance Act, for the words "not exceeding five lakh rupees for each such failure and punishable with fine", the words "of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less" shall be substituted.

Substitution of
new sections
for sections
103 and 104.

88. For sections 103 and 104 of the Insurance Act, the following sections shall be substituted, namely:—

Penalty for
carrying on
insurance
business in
contravention
of section 3.

“103. If a person carries on the business of insurance without obtaining a certificate of registration under section 3, he shall be liable to a penalty not exceeding rupees twenty-five crores and with imprisonment which may extend to ten years.

Penalty for
contravention
of sections
27, 27A, 27B,
27D and 27E.

104. If a person fails to comply with the provisions of section 27, section 27A, section 27B, section 27D and section 27E, he shall be liable to a penalty not exceeding twenty-five crore rupees.”.

Amendment
of section
105.

89. In section 105 of the Insurance Act, for the words "not exceeding two lakh rupees for each such failure", the words "not exceeding one crore rupees" shall be substituted.

<p>90. For sections 105B and 105C of the Insurance Act, the following sections shall be substituted, namely:—</p>	<p>Substitution of new section for sections 105B and 105C.</p>
<p>“105B. If an insurer fails to comply with the provisions of section 32B, section 32C and section 32D, he shall be liable to a penalty not exceeding twenty-five crore rupees.</p>	<p>Penalty for failure to comply with sections 32B, 32C and 32D.</p>
<p>105C.(1) For the purpose of adjudication under sub-section (2) of section 2CB, sub-section (4) of section 34B, sub-section (3) of section 40, sub-section (2) of section 41, sub-sections (4) and (5) of section 42, sub-sections (8) and (9) of section 42D, section 52F and section 105B, the Authority, shall appoint any officer not below the rank of a Joint Director or an equivalent officer to be an adjudicating officer for holding an inquiry in the prescribed manner after giving any person concerned a reasonable opportunity of being heard.</p>	<p>Power to adjudicate.</p>
<p>(2) Upon receipt of the inquiry report from the officer so appointed, the Authority, after giving an opportunity of being heard to the person concerned, may impose any penalty provided in sections aforesaid.</p>	
<p>(3) While holding an inquiry, the adjudicating officer shall have power to summon and enforce the attendance of any person acquainted with the facts and circumstances of the case to give evidence or to produce any document which in the opinion of the adjudicating officer, may be useful for or relevant to the subject matter of the inquiry and if on such inquiry, is satisfied that the person has failed to comply with the provisions of any of the sections specified in sub-section (1), he may recommend such penalty as he thinks fit in accordance with the provisions of any of those sections.</p>	
<p>105D. While recommending the quantum of penalty under section 105C, the adjudicating officer and while imposing such penalty, the Authority shall have due regard to the following factors, namely:—</p>	<p>Factors to be taken into account by the adjudicating officer.</p>
<p>(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;</p> <p>(b) the amount of loss caused to the policyholders as a result of the default; and</p> <p>(c) the repetitive nature of default.”.</p>	
<p>91. In section 106A of the Insurance Act, in sub-section (12),—</p> <p>(i) clauses (a), (b) and (f) shall be omitted;</p> <p>(ii) in clause (d), the words "or a provident society" shall be omitted.</p>	<p>Amendment of section 106A.</p>
<p>92. Sections 107 and 107A of the Insurance Act shall be omitted.</p>	<p>Omission of section 107 and 107A.</p>
<p>93. For section 109 of the Insurance Act, the following section shall be substituted, namely:—</p>	<p>Substitution of new section for section 109.</p>
<p>“109. No court shall take cognizance of any offence punishable under this Act or any rules or any regulations made thereunder, save on a complaint made by an officer of the Authority or by any person authorised by it.”.</p>	<p>Cognizance of offence.</p>

Substitution
of new
section for
section 110.

Appeal to
Securities
Appellate
Tribunal.

94. For section 110 of the Insurance Act, the following section shall be substituted, namely:—

"110. (1) Any person aggrieved—

(a) by an order of the Authority made on and after the commencement of the Insurance Laws (Amendment) Act, 2015, or under this Act, the rules or regulations made thereunder; or

(b) by an order made by the Authority by way of adjudication under this Act,

may prefer an appeal to the Securities Appellate Tribunal having jurisdiction in the matter.

(2) Every appeal made under sub-section (1) shall be filed within a period of forty-five days from the date on which a copy of the order made by the Authority is received by him and it shall be in such a form and be accompanied by such fees as may be prescribed:

Provided that the Securities Appellate Tribunal may entertain an appeal after the expiry of the said period of forty-five days if it is satisfied that there was sufficient cause for not filing it within that period.

(3) On receipt of an appeal under sub-section (1), the Securities Appellate Tribunal may, after giving parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, conforming, modifying or setting aside the order appealed against.

(4) The Securities Appellate Tribunal shall make available copy of order made by it to the Authority and parties.

(5) The appeal filed before the Securities Appellate Tribunal under sub-section (1) shall be dealt with by it as expeditiously as possible and endeavour shall be made by it to dispose of the appeal finally within six months from the date of receipt of appeal.

(6) The procedure for filing and disposing of an appeal shall be such as may be prescribed.

(7) The provision contained in section 15U, section 15V, section 15W, section 15Y and section 15Z of the Securities and Exchange Board of India Act, 1992 shall apply to the appeals arising out of the provisions of this Act, as they apply to the appeals under the Securities and Exchange Board of India Act, 1992."

15 of 1992.

Omission of
section 110E.

Omission of
sections 110G
and 110H.

Insertion of
new section
110HA.

Penalty to be
recoverable as
arrear of land
revenue.

Amendment
of section
111.

95. Section 110E of the Insurance Act shall be omitted.

96. Sections 110G and 110H of the Insurance Act shall be omitted.

97. After section 110H of the Insurance Act, the following section shall be inserted, namely:—

"110HA. Any penalty imposed by the Authority under this Act shall be recoverable as an arrear of land revenue."

98. In section 111 of the Insurance Act,—

(a) in sub-section (1), the words "or provident society" occurring at both the places shall be omitted;

(b) in sub-section (2), in the proviso, the words "or to a provident society" shall be omitted.

99. For section 113 of the Insurance Act, the following section shall be substituted, namely:—

Substitution of new section for section 113.

"113. (1) A policy of life insurance shall acquire surrender value as per the norms specified by the regulations.

Acquisition of surrender value by policy.

(2) Every policy of life insurance shall contain the formula as approved by the Authority for calculation of guaranteed surrender value of the policy.

(3) Notwithstanding any contract to the contrary, a policy of life insurance under a non-linked plan which has acquired a surrender value shall not lapse by reason of non-payment of further premiums but shall be kept in force to the extent of paid-up sum insured, calculated by means of a formula as approved by the Authority and contained in the policy and the reversionary bonuses that have already been attached to the policy:

Provided that a policy of life insurance under a linked plan shall be kept in force in the manner as may be specified by the regulations.

(4) The provisions of sub-section (3) shall not apply—

(i) where the paid-up sum insured by a policy, inclusive of attached bonuses, is less than the amount specified by the Authority or takes the form of annuity of amount less than the amount specified by the Authority; or

(ii) when the parties, after the default has occurred in payment of the premium, agree in writing to other arrangement."

100. In section 114 of the Insurance Act,—

Amendment of section 114.

(a) in sub-section (2),—

(i) clause (aa) shall be omitted;

(ii) after clause (aa) as so omitted, the following clause shall be inserted, namely:—

"(aaa) the manner of ownership and control of Indian insurance company under sub-clause (b) of clause (7A) of section 2;"

(iii) clause (c) and clause (f) shall be omitted;

(iv) after clause (l), the following clauses shall be inserted, namely:—

"(la) the manner of inquiry under sub-section (l) of section 105C;

(lb) the form in which an appeal may be preferred under sub-section (2) and the fee payable in respect of such appeal and the procedure for filing and disposing of an appeal under sub-section (6) of section 110;"

(b) in sub-section (3), the words, brackets, figures and letters "or under sub-section (1) of section 64UB and every regulation made under sub-section (3) of section 64UB" shall be omitted.

101. In section 114A of the Insurance Act, in sub-section (2),—

Amendment of section 114A.

(i) for clauses (a) and (aa), the following clause shall be substituted, namely:—

"(a) manner of making application for registration and documents to be accompanied under sub-section (2) of section 3;"

(ii) for clause (d), the following clause shall be substituted, namely:—

"(d) such annual fee to the Authority and manner of payment under sub-section (1) of section 3A;"

(iii) after clause (d), the following clauses shall be inserted, namely:—

"(da) such minimum annuity and other benefits to be secured by the insurer under section 4;

(*daa*) determination of preliminary expenses that may be excluded for calculation of the stipulated paid-up equity capital for the insurers under sub-section (1) of section 6;

(*db*) such equity capital and such forms of capital including hybrid capital required under sub-section (1) of section 6A;";

(*iv*) clause (*e*) shall be omitted;

(*v*) after clause (*e*), as so omitted, the following clause shall be inserted, namely:—

"(*ea*) separation of account of all receipts and payments in respect of each classes and sub-classes of insurance business as required under sub-section (1) and sub-section (2AA) of section 10; and its waiver under the said section;";

(*vi*) in clause (*f*), for the words, brackets, figures and letter "under sub-section (1A) of section 11", the words, brackets and figures "under sub-section (1) of section 11" shall be substituted;

(*vii*) for clause (*g*), the following clause shall be substituted, namely:—

"(*g*) the manner in which an abstract of the report of the actuary to be specified and the form and manner in which the statement referred to in section 13 shall be appended;";

(*viii*) after clause (*g*), the following clauses shall be inserted, namely:—

"(*ga*) maintenance of records of policies and claims under clause (*c*) of sub-section (1) of section 14;

(*gb*) manner and form of issuance of policies in electronic form under sub-section (2) of section 14;";

(*ix*) for clause (*h*), the following clause shall be substituted, namely:—

"(*h*) the fee for procuring a copy of return or any part thereof under sub-section (1) of section 20;";

(*x*) for clause (*i*), the following clause shall be substituted, namely:—

"(*i*) investment of assets and further provisions regarding investments by an insurer and investment by insurers in certain cases under sections 27, 27A, 27B, 27C and time, manner and other conditions of investment of assets under section 27D;";

(*xi*) for clauses (*ia*), (*ib*), (*ic*), (*id*) and (*ie*), the following clauses shall be substituted, namely:—

"(*ia*) the form in which a return giving details of investments made, time and manner including its authentication under section 28;

(*ib*) the loans including the loans sanctioned to the full-time employees of the insurer under clause (*a*) of sub-section (3) of section 29;

(*ic*) the sum to be paid by the insurer to any person under section 31B;

(*id*) the obligation of insurer in respect of rural or social or unorganised sector and backward classes under sections 32B and 32C;

(*ie*) the minimum percentage of insurance business in third party risks of motor vehicles under section 32D;";

(*xii*) for clause (*j*), the following clause shall be substituted, namely:—

"(*j*) the minimum information to be maintained by insurers or intermediary or insurance intermediary, as the case may be, in their books, the manner in

which such information shall be maintained, the checks and other verifications in that connection and all other matters incidental thereto under sub-section (7) of section 33;"

(xiii) after clause (j), the following clauses shall be inserted, namely:—

"(ja) the form in which balance-sheets in respect of the insurance business of each of the insurers concerned and the manner in which actuarial reports and abstracts in respect of the life insurance business are to be prepared under clauses (b) and (c) of sub-section (3) of section 35;

(jb) the manner of assessment of compensation under the proviso to sub-section (4A) of section 37A;

(jc) the fee to be charged by the insurer under sub-section (3) of section 39;

(jd) the manner and amount of remuneration or reward to be paid or received by way of commission or otherwise to an insurance agent or an intermediary or insurance intermediary under section 40;

(je) the manner and form of expenses of management under sections 40B and 40C;"

(xiv) clauses (k) and (l) shall be omitted;

(xv) for clause (m), the following clause shall be substituted, namely:—

"(m) the requisite qualifications or practical training or examination to be passed for appointment as an insurance agent under clause (e) of sub-section (3) of section 42;"

(xvi) clause (n) shall be omitted;

(xvii) for clause (o), the following clause shall be substituted, namely:—

"(o) the code of conduct under clause (h) of sub-section (3) of section 42;"

(xviii) clause (p) shall be omitted;

(xix) clause (va) shall be omitted;

(xx) in clause (vb), the words, brackets and figure "sub-section (2) of" shall be omitted;

(xxi) clause (w) shall be omitted;

(xxii) for clause (x), the following clauses shall be substituted, namely:—

"(x) academic qualifications and code of conduct for surveyors and loss assessors under sub-sections (1) and (2) of section 64UM;

(xa) the period for which a person may act as a surveyor or loss assessor under sub-section (3) of section 64UM;"

(xxiii) for clause (y), the following clause shall be substituted, namely:—

"(y) the manner of exclusion of certain assets under sub-section (1), the manner of valuation of liabilities under sub-section (2) and time for furnishing statement under sub-section (3) of section 64V;"

(xxiv) for clause (za), the following clause shall be substituted, namely:—

"(za) the matters specified under sub-section (1) of section 64VA relating to sufficiency of assets;"

(xxv) after clause (zaa), the following clauses shall be inserted, namely:—

"(zab) the form, time, manner including authentication of the return giving details of solvency margin under sub-section (9) of section 64VA;

(zac) the manner of opening and closing places of business under section 64VC;"

	(xxvi) after clause (zb), the following clause shall be inserted, namely:— "(zba) the norms for surrender value of life insurance policy under sub-section (I) of section 113;"	
Omission of Fifth, Sixth and Eighth Schedules.	102. In the Insurance Act, the Fifth Schedule, the Sixth Schedule and the Eighth Schedule shall be omitted.	
	CHAPTER III AMENDMENTS TO THE GENERAL INSURANCE BUSINESS (NATIONALISATION) ACT, 1972	
Insertion of a new section 10B.	103. In the General Insurance Business (Nationalisation) Act, 1972, after section 10A, the following section shall be inserted, namely:—	57 of 1972.
Enhancement of equity capital of General Insurance companies.	"10B. The General Insurance Corporation and the insurance companies specified in section 10A may, raise their capital for increasing their business in rural and social sectors, to meet solvency margin and such other purposes, as the Central Government may empower in this behalf: Provided that the shareholding of the Central Government shall not be less than fifty one per cent. at any time."	
Omission of section 25.	104. Section 25 of the General Insurance Business (Nationalisation) Act, 1972 shall be omitted.	57 of 1972.
	CHAPTER IV AMENDMENTS TO THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY ACT, 1999	
Amendment of section 2.	105. In section 2 of the Insurance Regulatory and Development Authority Act, 1999, in sub-section (I),— (i) in clause (b), after the words "Development Authority", the words "of India", shall be inserted; (ii) for clause (f), the following clause shall be substituted, namely:— '(f) "Intermediary" or "insurance intermediary" includes insurance brokers, re-insurance brokers, insurance consultants, corporate agents, third party administrator, surveyors and loss assessors and such other entities, as may be notified by the Authority from time to time.'	41 of 1999.
Amendment of section 3.	106. In section 3 of the Insurance Regulatory and Development Authority Act, 1999, in sub-section (I), after the words "Development Authority" the words "of India" shall be inserted.	41 of 1999.
Amendment of section 16.	107. In section 16 of Insurance Regulatory and Development Authority Act, 1999, in sub-section (I), clause (c) shall be omitted.	41 of 1999.
Repeal and savings.	108. (1) The Insurance Laws (Amendment) Ordinance, 2014, is hereby repealed. (2) Notwithstanding such repeal, anything done or any action taken under the Insurance Act, 1938, the General Insurance Business (Nationalisation) Act, 1972 and the Insurance Regulatory and Development Authority Act, 1999 as amended by the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of the said Acts, as amended by this Act.	Ord. 8 of 2014. 4 of 1938. 57 of 1972. 41 of 1999.

THE COAL MINES (SPECIAL PROVISIONS) ACT, 2015

(AS PASSED BY THE HOUSES OF PARLIAMENT)

(Act No. 11 of 2015)

(30-3-2015)

AN

ACT

to provide for allocation of coal mines and vesting of the right, title and interest in and over the land and mine infrastructure together with mining leases to successful bidders and allottees with a view to ensure continuity in coal mining operations and production of coal, and for promoting optimum utilisation of coal resources consistent with the requirement of the country in national interest and for matters connected therewith or incidental thereto.

WHEREAS the Supreme Court *vide* judgment dated 25th August, 2014 read with its order dated 24th September, 2014 has cancelled the allocation of coal blocks and issued directions with regard to such coal blocks and the Central Government in pursuance of the said directions has to take immediate action to implement the said order;

AND WHEREAS it is expedient in public interest for the Central Government to take immediate action to allocate coal mines to successful bidders and allottees keeping in view the energy security of the country and to minimise any impact on core sectors such as steel, cement and power utilities, which are vital for the development of the nation;

AND WHEREAS Parliament is competent to legislate under entry 54 of List I of the Seventh Schedule to the Constitution for regulation of mines and mineral development to the extent to which such regulation and development under the control of Union is declared by Parliament by law to be expedient in the public interest.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Coal Mines (Special Provisions) Act, 2015.

(2) It extends to the whole of India.

(3) It shall be deemed to have come into force on the 21st day of October, 2014.

2. It is hereby declared that it is expedient in the public interest that Union should take action for the development of Schedule I coal mines and extraction of coal on continuous basis for optimum utilisation.

3. (1) In this Act, unless the context otherwise requires,—

(a) “additional levy” means, the additional levy as determined by the Supreme Court in Writ Petition (Criminal) No. 120 of 2012 as two hundred and ninety-five rupees per metric tonne of coal extracted;

(b) “allotment order” means the allotment order issued under section 5;

Short title,
extent and
commencement.

Declaration as to
expediency of
Union action.

Definitions.

(c) "appointed date" in relation to—

(i) Schedule I coal mines excluding Schedule II coal mines, shall be the 24th day of September, 2014 being the date on which the allocation of coal blocks to prior allottees stood cancelled; and

(ii) Schedule II coal mines shall be the 1st day of April, 2015 being the date on which the allocation of coal blocks to prior allottees shall stand cancelled,

in pursuance of the order of the Supreme Court dated the 24th September, 2014 passed in Writ Petition (Criminal) No. 120 of 2012;

(d) "bank" shall have the same meaning as assigned to it in clause (c) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

54 of 2002.

(e) "coal mining operations" means any operation undertaken for the purpose of winning coal;

(f) "company" shall have the same meaning as assigned to it in clause (20) of section 2 of the Companies Act, 2013;

18 of 2013.

(g) "corporation" shall have the same meaning as assigned to it in clause (11) of section 2 of the Companies Act, 2013;

18 of 2013.

(h) "financial institution" shall have the same meaning as assigned to it in clause (m) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

54 of 2002.

(i) "Government company" shall have the same meaning as assigned to it in clause (45) of section 2 of the Companies Act, 2013;

18 of 2013.

(j) "mine infrastructure" includes mining infrastructure such as tangible assets used for coal mining operations, being civil works, workshops, immovable coal winning equipment, foundations, embankments, pavements, electrical systems, communication systems, relief centres, site administrative offices, fixed installations, coal handling arrangements, crushing and conveying systems, railway sidings, pits, shafts, inclines, underground transport systems, hauling systems (except movable equipment unless the same is embedded in land for permanent beneficial enjoyment thereof), land demarcated for afforestation and land for rehabilitation and resettlement of persons affected by coal mining operations under the relevant law;

(k) "nominated authority" means the authority nominated by the Central Government under section 6;

(l) "notification" means a notification published in the Official Gazette;

(m) "prescribed" means prescribed by rules made under this Act;

(n) "prior allottee" means prior allottee of Schedule I coal mines as listed therein who had been allotted coal mines between 1993 and 31st day of March, 2011, whose allotments have been cancelled pursuant to the judgment of the Supreme Court dated the 25th August, 2014 and its order dated 24th September, 2014 including those allotments which may have been de-allocated prior to and during the pendency of the Writ Petition (Criminal) No.120 of 2012.

Explanation.—In case a mining lease has been executed in favour of a third party, subsequent to such allocation of Scheduled I coal mines, then, the third party shall be deemed to be the prior allottee;

(o) "Schedule" means a Schedule appended to this Act;

(p) "Schedule I coal mines" means,—

(i) all the coal mines and coal blocks the allocation of which was cancelled by the judgment dated 25th August, 2014 and its order dated 24th September, 2014 passed in Writ Petition (Criminal) No.120 of 2012, including those allotments which may have been de-allocated prior to and during the pendency of the said Writ Petition;

(ii) all the coal bearing land acquired by the prior allottee and lands, in or adjacent to the coal mines used for coal mining operations acquired by the prior allottee;

(iii) any existing mine infrastructure as defined in clause (j);

(q) "Schedule II coal mines" means the forty-two Schedule I coal mines listed in Schedule II which are the coal mines in relation to which the order of the Supreme Court dated 24th day of September, 2014 was made;

(r) "Schedule III coal mines" means the thirty-two Schedule I coal mines listed in Schedule III or any other Schedule I coal mine as may be notified under sub-section (2) of section 7;

54 of 2002. (s) "secured creditor" shall have the same meaning as assigned to it in clause (zd) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

54 of 2002. (t) "secured debt" shall have the same meaning as assigned to it in clause (ze) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

54 of 2002. (u) "security interest" shall have the same meaning as assigned to it in clause (zf) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

(v) "specified end-use" means any of the following end-uses and the expression "specified end-user" shall with its grammatical variations be construed accordingly,—

(i) production of iron and steel;

(ii) generation of power including the generation of power for captive use;

(iii) washing of coal obtained from a mine;

(iv) cement;

(v) such other end-use as the Central Government may, by notification, specify;

(w) "vesting order" means the vesting order issued under section 8.

20 of 1957. (2) Words and expressions used herein and not defined, but defined in the Coal
67 of 1957. Bearing Areas (Acquisition and Development) Act, 1957, the Mines and Minerals
26 of 1973. (Development and Regulation) Act, 1957 and the Coal Mines (Nationalisation) Act, 1973 including any rules or regulations made thereunder, shall have the meanings, respectively assigned to them in those Acts.

CHAPTER II

AUCTION AND ALLOTMENT

Eligibility to participate in auction and payment of fees.

4. (1) Subject to the provisions of section 5, Schedule I coal mines shall be allocated by way of public auction in accordance with such rules, and on the payment of such fees which shall not exceed five crore rupees, as may be prescribed.

(2) Subject to the provisions in sub-section (3) of this section and section 5, the Central Government may, for the purpose of granting reconnaissance permit, prospecting licence or mining lease in respect of any area containing coal, select any of the following companies through auction by competitive bidding, on such terms and conditions as may be prescribed—

(a) a Government company or corporation or a joint venture company formed by such company or corporation or between the Central Government or the State Government, as the case may be, or any other company incorporated in India; or

(b) a company or a joint venture company formed by two or more companies,

that carry on coal mining operations in India, in any form either for own consumption, sale or for any other purpose in accordance with the permit, prospecting licence or mining lease, as the case may be, and the State Government shall grant such reconnaissance permit, prospecting licence or mining lease in respect of any area containing coal to such company as selected through auction by competitive bidding under this section.

(3) Subject to the provisions of section 5, the following persons who fulfil such norms as may be prescribed, shall be eligible to bid in an auction of Schedule II coal mines and Schedule III coal mines and to engage in coal mining operations in the event they are successful bidders, namely:—

(a) a company engaged in specified end-use including a company having a coal linkage which has made such investment as may be prescribed.

Explanation.—A “company with a coal linkage” includes any such company whose application is pending with the Central Government on the date of commencement of this Act;

(b) a joint venture company formed by two or more companies having a common specified end-use and are independently eligible to bid in accordance with this Act;

(c) a Government company or corporation or a joint venture company formed by such company or corporation or with any other company having common specified end-use:

Provided that nothing contained in sub-section (2) shall apply to this sub-section.

(4) A prior allottee shall be eligible to participate in the auction process subject to payment of the additional levy within such period as may be prescribed and if the prior allottee has not paid such levy, then, the prior allottee, its promoter or any of its company of such prior allottee shall not be eligible to bid either by itself or by way of a joint venture.

(5) Any prior allottee who is convicted for an offence relating to coal block allocation and sentenced with imprisonment for more than three years, shall not be eligible to participate in the auction.

5. (1) Notwithstanding the provisions contained in sub-sections (1) and (3) of section 4, the Central Government may allot a Schedule I coal mine to a Government company or corporation or to a joint venture between two or more Government companies or corporations or to a company which has been awarded a power project on the basis of competitive bids for tariff (including Ultra Mega Power Projects) from specified Schedule I coal mines by making an allotment order in accordance with such rules as may be prescribed and the State Government shall grant a reconnaissance permit, prospecting licence or mining lease in respect of any area containing coal to such company or corporation:

Allotment of mines to Government companies or corporations.

Provided that the Government company or corporation may carry on Coal Mining in any form either for its own consumption, sale or for any other purpose in accordance with the permit, prospecting licence or mining lease, as the case may be:

Provided further that no company other than a Government company or corporation shall hold more than twenty-six per cent. of the paid-up share capital in the Government company or corporation or in the joint venture between a Government company or corporation, either directly or through any of its subsidiary company or associate company:

Provided also that a joint venture of any two or more Government companies or corporations shall be prohibited from alienating or transferring any interest, except the taking of loans or advances from a bank or financial institution, in the joint venture of whatsoever nature including ownership in favour of a third party.

(2) No allotment under sub-section (1) shall be made to a prior allottee, if that allottee has not made the payment of the additional levy within the specified period.

6. (1) The Central Government shall appoint an officer not below the rank of a Joint Secretary to the Government of India as the nominated authority who shall act for and on behalf of the Central Government for the purposes of this Act and shall exercise such powers as may be prescribed.

Central Government to act through nominated authority.

(2) The nominated authority may engage any expert having such qualifications and experience and on such terms and conditions as may be prescribed to make recommendations to the authority for the conduct of auction and in drawing up of the vesting order or allotment order in relation to Schedule I coal mines.

(3) The Central Government shall act through the nominated authority for the following purposes, namely:—

- (a) conduct the auction process and allotment with the assistance of experts;
- (b) execution of the vesting order for transfer and vesting of Schedule I coal mines pursuant to the auction;
- (c) executing the allotment order for any Government company or corporation in pursuance of section 5;
- (d) recording and mutating incorporeal rights of whatsoever nature including, consents, permissions, permits, approvals, grants, registrations;
- (e) collection of auction proceeds, adjustment of preferential payments and transfer of amount to the respective State Governments where Schedule I coal mine is located in accordance with the provisions of this Act.

(4) The nominated authority shall complete the auction or execute the allotment orders of Schedule I coal mines within such time and in accordance with such rules as may be prescribed.

(5) The Central Government may appoint such other officers and staff as it may think fit to assist the nominated authority.

(6) The salaries and allowances and other terms and conditions of service of the nominated authority and such other officers and staff appointed under this section shall be such as may be prescribed.

(7) The nominated authority shall be bound by the written direction given by the Central Government on the question of policy.

Power to
classify
certain
Schedule I
coal mines by
Central
Government.

Nominated
authority to
issue vesting
order or
allotment
order.

7. (1) The Central Government may, before notifying the particulars of auction, classify mines identified from Schedule I coal mines as earmarked for the same class of specified end-uses.

(2) The Central Government may in public interest, by notification, modify Schedule III coal mines by adding any other Schedule I coal mine for the purposes of specified end-use.

8. (1) The nominated authority shall notify the prior allottees of Schedule I coal mines to enable them to furnish information required for notifying the particulars of Schedule I coal mines to be auctioned in accordance with such rules as may be prescribed.

(2) The information required to be furnished under sub-section (1) shall be furnished within a period of fifteen days from the date of such notice.

(3) A successful bidder in an auction conducted on a competitive basis in accordance with such rules as may be prescribed, shall be entitled to the vesting of Schedule I coal mine for which it bid, pursuant to a vesting order drawn up in accordance with such rules.

(4) The vesting order shall transfer and vest upon the successful bidder, the following, namely:—

(a) all the rights, title and interest of the prior allottee, in Schedule I coal mine concerned with the relevant auction;

(b) entitlement to a mining lease to be granted by the State Government;

(c) any statutory licence, permit, permission, approval or consent required to undertake coal mining operations in Schedule I coal mines if already issued to the prior allottee;

(d) rights appurtenant to the approved mining plan of the prior allottee;

(e) any right, entitlement or interest not specifically covered under clauses (a) to (d).

(5) The nominated authority shall, in consultation with the Central Government, determine the floor price or reserve price in accordance with such rules as may be prescribed.

(6) The successful bidder shall, prior to the issuance and execution of a vesting order, furnish a performance bank guarantee for an amount as notified in relation to Schedule I coal mine auctioned to such bidder within such time, form and manner as may be prescribed.

(7) After the issuance of a vesting order under this section and its filing with the Central Government and with the appropriate authority designated by the respective State Governments, the successful bidder shall be entitled to take possession of the Schedule I coal mine without let or hindrance.

(8) Upon the execution of the vesting order, the successful bidder of the Schedule I coal mine shall be granted a prospecting licence or a mining lease, as applicable, by the concerned State Government in accordance with the Mines and Minerals (Development and Regulation) Act, 1957.

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(9) A Government company or corporation or a joint venture company formed by such company or corporation or between the Central Government or the State Government, as the case may be, or any other company incorporated in India, allotted a Schedule I coal mine shall be granted a prospecting licence or a mining lease, as applicable, by the concerned State Government in accordance with the Mines and Minerals (Development and Regulation) Act, 1957.

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(10) In relation to Schedule II coal mines, the successful bidder which was a prior allottee, shall continue coal mining operations after the appointed date in terms of the approved mining plan, till the mining lease in terms of sub-section (8) is granted, upon the grant of a vesting order and to that extent, the successful bidder shall be deemed to have been granted a mining lease till the execution of the mining lease in terms of the said sub-section.

(11) In relation to Schedule II coal mines, the Government company or corporation which was a prior allottee can continue coal mining operations after the appointed date in terms of the approved mining plan, till the mining lease in terms of sub-section (9) is granted, upon execution of the allotment order and to that extent, the allottee shall be deemed to have been granted a mining lease till the execution of the mining lease in terms of the said sub-section.

(12) The provisions of sub-sections (1) and (2) and sub-sections (4) to (7) (both inclusive) of this section as applicable to a vesting order, shall *mutatis mutandis* be also applicable to an allotment order.

9. The proceeds arising out of land and mine infrastructure in relation to a Schedule I coal mine shall be disbursed maintaining, *inter alia*, the priority of payments in accordance with the relevant laws and such rules as may be prescribed—

Priority of
disbursal of
proceeds.

(a) payment to secured creditors for any portion of the secured debt in relation to a Schedule I, coal mine which is unpaid as on the date of the vesting order;

(b) compensation payable to the prior allottee in respect of the Schedule I coal mine.

CHAPTER III

TREATMENT OF RIGHTS AND OBLIGATIONS OF PRIOR ALLOTTEES

10. (1) A successful bidder or allottee in respect of Schedule I coal mines, may negotiate with prior allottee to own or utilise such movable property used in coal mining operations on such terms and conditions as may be mutually agreed to by them.

Utilisation of
movable
property used
in coal
mining
operations.

(2) Where a successful bidder or allottee is not vested with any movable property of a Schedule I coal mine, then, he is not bound by any liabilities or obligations arising out of such ownership or contractual rights, obligations or liabilities which shall continue to remain with the prior allottee.

(3) In the event that the successful bidder or allottee is unable to satisfactorily negotiate with the prior allottee or any third party who has a contract with the prior allottee for the movable property, it shall be the obligation of the prior allottee or the third party to remove such movable property within a period not exceeding thirty days from the date of the vesting order, or the allotment order, as the case may be, and the successful bidder or allottee shall not be liable for any damage to such property.

(4) A successful bidder or allottee which has elected not to purchase or transfer or continue to use the movable property referred to in sub-section (1), shall prior to the execution of the vesting order or the allotment order, as the case may be, declare to the nominated authority that he intends to move and store such movable property of the prior allottee or such third party and after the date of the vesting order or the allotment order, as the case may be, the successful bidder or allottee shall be entitled to move and store such movable property, so as not to cause any impediment for coal mining operations.

(5) If a prior allottee or such third party which has contracted with the prior allottee for its movable property, fails to remove the movable property which the successful bidder or allottee has elected not to purchase or use in accordance with sub-section (4), then, after the period of seventy-five days from the vesting order or the allotment order, as the case may be, a successful bidder or allottee shall be entitled to dispose of such movable property which may be physically located within Schedule I coal mine, the successful bidder or the allottee,

shall, in such event be entitled to appropriate the sale proceeds of such movable property disposed of to pay for any cost incurred by the successful bidder or allottee, for the removal, storage, sale and disposal of such movable property, as a first charge over the sale proceeds of such movable property:

Provided that the remaining sale proceeds after appropriation of costs, shall be paid by the successful bidder or allottee to the Central Government towards any compensation that may be payable to the owner of such movable property sold, upon establishment of title to such movable property in accordance with such rules as may be prescribed:

Provided further that if a third party contractor to the prior allottee owns such movable property, then, such third party shall be entitled to prove its right to receive compensation from the sale proceeds of the movable property sold as per this sub-section, in accordance with such rules as may be prescribed.

Discharge or adoption of third party contracts with prior allottees.

11. (1) Notwithstanding anything contained in any other law for the time being in force, a successful bidder or allottee, as the case may be, in respect of Schedule I coal mines, may elect, to adopt and continue such contracts which may be existing with any of the prior allottees in relation to coal mining operations and the same shall constitute a novation for the residual term or residual performance of such contract:

Provided that in such an event, the successful bidder or allottee or the prior allottee shall notify the nominated authority to include the vesting of any contracts adopted by the successful bidder.

(2) In the event that a successful bidder or allottee elects not to adopt or continue with existing contracts which had been entered into by the prior allottees with third parties, in that case all such contracts which have not been adopted or continued shall cease to be enforceable against the successful bidder or allottee in relation to the Schedule I coal mine and the remedy of such contracting parties shall be against the prior allottees.

Provisions in relation to secured creditors.

12. (1) The secured creditors of the prior allottees which had any security interest in any part of the land or mine infrastructure of a Schedule I coal mine shall be entitled to—

(a) continue with such facility agreements and security interest with the prior allottee if such prior allottee is a successful bidder or allottee; and

(b) in the event that the prior allottee is not a successful bidder or allottee, then the security interest of such secured creditor shall only be satisfied out of the compensation payable to such prior allottee, to the extent determined in accordance with such rules as may be prescribed and the outstanding debt shall be recoverable from the prior allottee.

(2) The Central Government shall, taking into consideration the provisions contained in section 9, prescribe the manner in which the secured creditor shall be paid out of the compensation in respect of any prior allottee.

Void alienations and permitted security interests.

13. Any and all alienations of land and mine infrastructure and creation of any encumbrances of whatsoever nature thereon which relate to Schedule I coal mines, made by any prior allottee after the 25th day of August, 2014 shall be void, save and except any registered security interest and charge over the land and mine infrastructure as registered by a bank or a financial institution or any other secured lender.

Liabilities of prior allottees.

14. (1) Notwithstanding anything contained in any other law for the time being in force, no proceedings, orders of attachment, distress, receivership, execution or the like, suits for the recovery of money, enforcement of a security or guarantee (except as otherwise provided for under this Act), prior to the date of commencement of this Act shall lie, or be proceeded further with and no remedies shall be available against the successful bidder, or allottee, as the case may be, or against the land and mine infrastructure in respect of Schedule I coal mines.

(2) The proceedings as referred to in sub-section (1), shall continue as a personal remedy against the prior allottee but shall not be maintainable or continued against the land or mine infrastructure of Schedule I coal mine or the successful bidder or allottee, pursuant to this Act.

(3) Every liability of any prior allottee in relation to a Schedule I coal mine in respect of any period prior to the vesting order or allotment order, shall be the liability of such prior allottee and shall be enforceable against it and not against the successful bidder or allottee or the Central Government.

(4) All unsecured loans shall continue to remain the liability of the prior allottee.

(5) The additional levy imposed against the prior allottees of Schedule II coal mines shall continue to remain the liability of such prior allottees and such additional levy shall be collected by the Central Government in such manner as may be prescribed.

(6) For the removal of doubts, it is hereby declared that—

(a) no claim for wages, bonus, royalty, rate, rent, taxes, provident fund, pension, gratuity or any other dues in relation to a Schedule I coal mine in respect of any period prior to the date of vesting order or allotment order, as the case may be, shall be enforceable against the Central Government or the successful bidder or the allottee, as the case may be;

(b) no award, decree, attachment or order of any court, tribunal or other authority in relation to any Schedule I coal mine passed prior to the date of commencement of this Act, in relation to the land and mine infrastructure of Schedule I coal mines, shall be enforceable against the Central Government or the successful bidder or the allottee, as the case may be;

(c) no liability for the contravention of any provision of law for the time being in force, relating to any act or omission prior to the date of vesting order or allotment order, as the case may be, shall be enforceable against the successful bidder or allottee or the Central Government.

15. (1) For the purposes of disbursing the amounts payable to the prior allottees of Schedule I coal mines, the Central Government shall appoint an officer not below the rank of Joint Secretary to the Government of India, to be the Commissioner of payments.

Commissioner of payments to be appointed and his powers.

(2) The Central Government may appoint such other officers and staff as it may think fit to assist the Commissioner and thereupon the Commissioner may authorise one or more of such officers also to exercise all or any of the powers exercisable by him under this Act.

(3) Any officer authorised by the Commissioner to exercise any powers may exercise those powers in the same manner and with the same effect as if they have been conferred on him directly by this Act and not by way of authorisation.

(4) The salaries and allowances and other terms and conditions of service of the Commissioner and other officers and staff appointed under this section shall be such as may be prescribed.

(5) The Central Government shall, within a period of thirty days from such date as may be notified, pay to the Commissioner for payment to the prior allottee, an amount equal to the compensation determined by the nominated authority.

(6) Separate records shall be maintained by the Commissioner in respect of each Schedule I coal mine in relation to which payments have been made to him under this Act.

16. (1) The quantum of compensation for the land in relation to Schedule I coal mines shall be as per the registered sale deeds lodged with the nominated authority in accordance with such rules as may be prescribed, together with twelve per cent. simple interest from the date of such purchase or acquisition, till the date of the execution of the vesting order or the allotment order, as the case may be.

Valuation of compensation for payment to prior allottee.

(2) The quantum of compensation for the mine infrastructure in relation to Schedule I coal mines shall be determined as per the written down value reflected in the statutorily audited balance sheet of the previous financial year in accordance with such rules and in such manner as may be prescribed.

(3) If the successful bidder or allottee is a prior allottee of any of the Schedule I coal mines, then, the compensation payable to such successful bidder or allottee shall be set off or adjusted against the auction sum or the allotment sum payable by such successful bidder or allottee, as the case may be, for any of the Schedule I coal mines.

(4) The prior allottee shall not be entitled to compensation till the additional levy has been paid.

CHAPTER IV

POWERS OF THE CENTRAL GOVERNMENT AFTER THE APPOINTED DATE

Responsibility
of Central
Government
after
appointed
date.

17. (1) On and from the appointed date, the Central Government or a company owned by the Central Government shall be deemed to have become the lessee or licensee of the State Government in relation to each of the Schedule II coal mines, in respect of which a mining lease or prospecting licence has been granted prior to the date of commencement of this Act, as if a mining lease or prospecting licence in relation to such coal mine had been granted to the Central Government or a company owned by the Central Government and the period of such lease or licence shall be the maximum period for which such lease or licence could have been granted by the State Government under the Mineral Concession Rules, 1960, and thereupon all the rights under such mining lease, including surface, underground and other rights shall be deemed to have been transferred to, and vested in, the Central Government or a company owned by the Central Government.

(2) On the expiry of the term of any lease or licence, referred to in sub-section (1), such lease or licence shall be renewed, by the State Government, in consultation with the Central Government for the maximum period for which such lease or licence can be renewed under the Mineral Concession Rules, 1960.

(3) As it is considered expedient and necessary in the public interest and in view of the difficult situation which has arisen, the powers of the State Government, under the Mines and Minerals (Development and Regulation) Act, 1957, to prematurely terminate a prospecting licence or mining lease, shall stand suspended, in relation to Schedule I coal mines, for a period of one year from the date of commencement of this Act or such other period as may be notified by the Central Government.

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Central
Government
to appoint
designated
custodian.

18. (1) On and from the appointed date, if the auction or allotment of Schedule I coal mines is not complete, the Central Government shall appoint any person as a designated custodian to manage and operate such coal mines as may be notified by the Central Government.

(2) The designated custodian shall act for and on behalf of the Central Government in respect of the notified coal mines under sub-section (1) to operate and manage such Schedule I coal mines in such manner as may be notified, till the completion of the auction of such coal mines or allotment under section 4 and section 5 read with section 8, as the case may be.

Powers and
functions of
designated
custodian in
respect of
Schedule II
coal mines.

19. (1) The designated custodian appointed under sub-section (1) of section 18, shall be entitled to take control and possession of all lands, in or adjacent to Schedule II coal mines, and used for coal mining operations and the mine infrastructure in relation to Schedule II coal mine, on behalf of the Central Government.

(2) The designated custodian may direct the prior allottees or any other persons in charge of the management of the Schedule II coal mines and coal mining operations immediately before the appointed date to provide the requisite manpower, as may be necessary, to ensure continuity in coal mining operations and production of coal.

(3) The designated custodian shall receive, to the exclusion of all other persons, any monies due to Schedule II coal mines, notwithstanding cases where such receipt pertains to a transaction made at any time before the appointed date.

(4) The designated custodian may call for any information, records and documents in relation to Schedule II coal mines and coal mining operations from any or all such persons who were in charge of the management and operation of such Schedule II coal mines prior to the appointed date, and such persons shall be bound to deliver to the designated custodian all such documents in their custody relating to Schedule II coal mines.

(5) The designated custodian may appoint such consultants or experts, as may be necessary, in relation to the management and operation of Schedule II coal mines.

(6) The designated custodian shall transfer the management and operation of any Schedule II coal mines to such person in such manner as may be prescribed.

(7) The designated custodian shall have rights, liabilities and obligations as a prior allottee or a successful bidder in respect of coal mines entrusted to it under section 18, to be exercised and discharged in such manner as may be prescribed.

(8) The designated custodian shall have the power to perform such other functions which may be consequential or incidental to the functions specified under this section.

(9) Notwithstanding anything contained in any other law for the time being in force, the designated custodian shall, in exercise of its powers or the performance of its functions under this Act, be bound by such directions on questions of policy, as the Central Government may give in writing to it from time to time.

CHAPTER V

CERTAIN ARRANGEMENTS

20. (1) A successful bidder or allottee or coal linkage holder shall, with the prior approval of the Central Government and in accordance with such rules as may be prescribed, be entitled to enter into certain agreements or arrangements with other successful bidder or allottee or coal linkage holder, as the case may be, for optimum utilisation of coal mine for the same end-uses in the public interest and to achieve cost efficiencies.

Power of Central Government to approve certain arrangements.

(2) A successful bidder or allottee may also use the coal mine from a particular Schedule I coal mine for any of its plants engaged in common specified end-uses, in accordance with such rules as may be prescribed.

CHAPTER VI

MISCELLANEOUS

21. (1) All existing land acquisition proceedings under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, in relation to Schedule I coal mines, shall continue in respect of such areas of land in accordance with the provisions of the said Act.

Acquisition of land.

(2) All such areas of land which are not subject matter of land acquisition proceedings, in relation to the coal mines, under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 may be proceeded with by the Central Government in terms of the Coal Bearing Areas (Acquisition and Development) Act, 1957.

(3) The State Governments which have initiated land acquisition proceedings under provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and all such lands which are also subject matter of the said Act in respect of Schedule I coal mines, shall—

(a) not transfer any land to the prior allottees which have been acquired under the said Act;

(b) continue the land acquisition proceedings till the appointed date;

(c) for such Schedule I coal mines which have not vested in the successful bidder or the allottee, as the case may be, by the appointed date, continue the land acquisition proceedings for and on behalf of the Central Government;

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30 of 2013.

20 of 1957.

30 of 2013.

	(d) upon the vesting or the allotment, as the case may be, after the appointed date, continue such land acquisition proceedings on behalf of the successful bidder or the allottee.
Realisation of additional levy.	22. If a prior allottee of Schedule II coal mine fails to deposit the additional levy with the Central Government within the specified time, then, such additional levy shall be realised as the arrears of land revenue.
Penalties for certain offences.	23. If any person— (a) obstructs or causes any impediment in taking possession or in the management and operation of the Schedule I coal mines by the Central Government or the designated custodian; or (b) fails to deliver to the designated custodian any books of account, registers or any other document in his custody relating to Schedule I coal mines and coal mining operations in respect of the management of which the designated custodian has been appointed; or (c) destroys or misuses any mine infrastructure or coal stock; or (d) retains any property of such coal mine or removes or destroys it, he and any officer-in-default of the company shall be punishable with imprisonment for a term which may extend to two years, or with the minimum fine of one lakh rupees per day and in the case of continuing failure, with a maximum fine of two lakh rupees for every day during which the failure continues or with both, depending upon the nature of the offence.
Penalty for failure to comply with directions of Central Government.	24. If any person fails to comply, without reasonable cause, with a direction given by the Central Government or nominated authority or the designated custodian, he shall be punishable with a fine of one lakh rupees and in the case of continuing failure with a maximum fine of two lakh rupees for every day during which the failure continues, depending upon the nature of the offence.
Offences by companies.	25. (1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of business of the company as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly: Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge and that he had exercised all due diligence to prevent the commission of such offence. (2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.
Cognizance of offences.	26. No court shall take cognizance of any offence punishable under this Act or any rules made thereunder except upon complaint in writing made by a person authorised in this behalf by the Central Government or nominated authority or the designated custodian.
Dispute settlement and Bar of Jurisdiction of civil courts.	27. (1) Any dispute arising out of any action of the Central Government, nominated authority or Commissioner of payment or designated custodian, or any dispute between the successful bidder or allottee and prior allottee arising out of any issue connected with the Act shall be adjudicated by the Tribunal constituted under the Coal Bearing Areas (Acquisition and Development) Act, 1957 (2) Where the Central Government is of the opinion that any dispute arising out of any issue connected with the Act exists or is apprehended and the dispute should be adjudicated

by the Tribunal referred to in sub-section (1), then, the Central Government may by order in writing, refer the dispute or any matter appearing to be connected with, or relevant to, the dispute, to the Tribunal for adjudication.

(3) The Tribunal referred to in sub-section (1) shall, after hearing the parties to the dispute, make an award in writing within a period of ninety days from the institution or reference of the dispute.

(4) On and from the commencement of the Act, no court or other authority, except the Supreme Court and a High Court, shall have, or be entitled to exercise, any jurisdiction, powers or authority, in relation to matters connected with the Act.

28. No suit, prosecution or other legal proceeding shall lie against the Central Government, nominated authority, commissioner of payment, or designated custodian or any person acting on their behalf, in respect of anything which is done or intended to be done in good faith under this Act.

Protection of action taken in good faith.

29. The provisions of this Act shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force, or in any instrument having effect by virtue of any such law.

Act to have overriding effect.

30. On and from the date of commencement of this Act, the Coal Mines (Nationalisation) Act, 1973 and the Mines and Minerals (Development and Regulation) Act, 1957 shall stand amended in the manner provided in Schedule IV.

Amendment of certain Acts contained in Schedule IV.

31. (1) The Central Government may, by notification in the Official Gazette, and subject to the condition of previous publication, make rules for carrying out the provisions of this Act.

Power to make rules.

(2) In particular, and without prejudice the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the manner of allocation of Schedule I coal mines by way of public auction and details of fees under sub-section (1) of section 4;

(b) the terms and conditions for granting reconnaissance permit, prospecting licence or mining lease and the manner and conditions of competitive bidding under sub-section (2) of section 4;

(c) norms to become eligible to bid in an auction and the amount of investment in respect of a company having a coal linkage under sub-section (3) of section 4;

(d) the period within which the payment of additional levy by the prior allottee under sub-section (4) of section 4;

(e) the allotment order to make allocations to a Government company or corporation under sub-section (1) of section 5;

(f) the powers of the nominated authority under sub-section (1) of section 6;

(g) the manner of auction or allotment of Schedule I coal mines and execution of the vesting or allotment orders under sub-section (4) of section 6;

(h) the salaries and allowances and other terms and conditions of service of the nominated authority and other officers and staff under sub-section (6) of section 6;

(i) the manner of notifying the particulars of Schedule I coal mines to be auctioned and furnishing of required information by the prior allottees under sub-section (1) of section 8;

(j) the manner of conducting auction and drawing of a vesting order under sub-section (3) of section 8;

(k) determination of floor price by the nominated authority under sub-section (5) of section 8;

(l) the form and manner of furnishing of bank guarantee and the time within which such furnishing of bank guarantee under sub-section (6) of section 8;

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(m) the manner of disbursement of priority payments under section 9;

(n) the manner of establishing title of movable property by the prior allottee or third party who has a contract with the prior allottee for the movable property under the first proviso to sub-section (5) of section 10;

(o) the manner of receiving compensation from the sale proceeds of the movable property under the second proviso to sub-section (5) of section 10;

(p) the manner in which the secured creditor paid out of the compensation in respect of any prior allottee under sub-section (2) of section 12;

(q) the manner of collection of additional levy by the Central Government from the prior allottees of Schedule II coal mines under sub-section (5) of section 14;

(r) the salaries and allowances and other terms and conditions of service of the Commissioner of payments and other officers and staff under sub-section (4) of section 15;

(s) the manner of determination of compensation payable to prior allottee and the lodging of registered sale deeds with the nominated authority under sub-section (1) of section 16;

(t) the method of determination of compensation for mine infrastructure in relation to Schedule I and its reflection in the statutorily audited balance sheet under sub-section (2) of section 16;

(u) the manner of transfer of the management and operation of any Schedule II coal mines by the designated custodian under sub-section (6) of section 19;

(v) the manner of exercising and discharging the rights, liabilities and obligations by the designated custodian under sub-section (7) of section 19;

(w) the manner of providing agreements or arrangements for optimum utilisation of coal mine for specified end-uses under sub-section (1) of section 20;

(x) the manner of usage of coal mine by a successful bidder or allottee for any of its plants under sub-section (2) of section 20;

(y) any other matter which is required to be, or may be, prescribed.

(3) Every rule made and every notification issued by the Central Government, under this Act, shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or notification, or both Houses agree that the rule or notification should not be made, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.

Power to
remove
difficulties.

32. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made after the expiry of a period of two years from the date of commencement of this Act.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

Repeal and
saving.

33. (1) The Coal Mines (Special Provisions) Second Ordinance, 2014 is hereby repealed.

Ord. 7 of
2014.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance, shall, without prejudice to the judgment of the Supreme Court dated 25th August, 2014 and its order dated 24th September, 2014 passed in Writ Petition (Criminal) No. 120 of 2012, be deemed to have been done or taken under the corresponding provisions of this Act.

SCHEDULE I
[See section 3(I)(p)]

Sl. No.	Name of Coal Mine/Block	Name of Prior Allottee	State where Coal Mine/Block Located
1	2	3	4
1	Tadicherla-I	Andhra Pradesh Power Generation Corpn. Ltd.	Telangana
2	Anesttipali	Andhra Pradesh Power Generation Corpn. Ltd.	Telangana
3	Punkula-Chilka	Andhra Pradesh Power Generation Corpn. Ltd.	Telangana
4	Penagaddppa	Andhra Pradesh Power Generation Corpn. Ltd.	Telangana
5	Namchik Namphuk	Arunachal Pradesh Mineral Dev. & Trading Corporation	Arunachal Pradesh
6	Sayang	AES Chhattisgarh Energy Pvt. Ltd	Chhattisgarh
7	Rajgamar Dipside (Deavnara)	API Ispat & Powertech Pvt. Ltd., CG Sponge Manufacturers Consortium Coalfield Pvt. Ltd.	Chhattisgarh
8	Durgapur-II/ Taraimar	Bharat Aluminium Company Ltd.	Chhattisgarh
9	Datima	Binani Cement Ltd.	Chhattisgarh
10	Tara	Chhattisgarh Mineral Development Corporation Limited	Chhattisgarh
11	Gare-Palma, Sector-I	Chhattisgarh Mineral Development Corporation Limited	Chhattisgarh
12	Shankarpur Bhatgaon II Extn.	Chhattisgarh Mineral Development Corporation Limited	Chhattisgarh
13	Sondhia	Chhattisgarh Mineral Development Corporation Limited	Chhattisgarh
14	Parsa	Chhattisgarh State Electricity Board	Chhattisgarh
15	Vijay Central	Coal India Limited, SKS Ispat & Power Ltd.	Chhattisgarh
16	Gidhmuri	Chhattisgarh State Electricity Board	Chhattisgarh
17	Paturia	Chhattisgarh State Electricity Board	Chhattisgarh
18	Durgapur-II /Sarya	DB Power Ltd.	Chhattisgarh
19	Bhaskarpara	Electrotherm (India) Ltd., Grasim Industries Ltd.	Chhattisgarh
20	West of Umaria	Sainik Finance and Industries Ltd. (Earlier Garuda Clays Ltd.)	Chhattisgarh
21	Morga II	Gujarat Mineral Development Corporation	Chhattisgarh
22	Gare-Palma Sector-III	Goa Industrial Development Corporation	Chhattisgarh
23	Madanpur South	Hindustan Zinc Ltd., Akshya Investment Pvt. Ltd., Chhattisgarh Steel & Power Ltd., Chhattisgarh Electricity Corporation Ltd., MSP Steel & Power Ltd., Chhattisgarh Captive Coal Mining Ltd. (Consortium of five Cos.)	Chhattisgarh
24	Nakia I	Ispat Godavari Ltd., Ind Agro Synergy Ltd., Shri Nakoda Ispat Ltd., Vandana Global Ltd., Shree Bajrang Power & Ispat Ltd.	Chhattisgarh
25	Nakia II	Ispat Godavari, Ind Agro Synergy, Shri Nakoda Ispat, Vandana Global Ltd., Shree Bajrang Power & Ispat Ltd.	Chhattisgarh
26	Gare-Palma- IV/4	Jayaswal Neco Ltd.	Chhattisgarh
27	Gare-Palma- IV/8	Jayaswal Neco Ltd.	Chhattisgarh
28	Gare-Palma-IV/2	Jindal Power Ltd. (Now Jindal Steel & Power Ltd.)	Chhattisgarh
29	Gare-Palma-IV/3	Jindal Power Ltd. (Now Jindal Steel & Power Ltd.)	Chhattisgarh

1	2	3	4
30	Gare-Palma-IV/1	Jindal Strips Limited (Now Jindal Steel & Power Ltd.)	Chhattisgarh
31	Gare-Palma IV/6	Jindal Steel & Power Ltd., Nalwa Sponge Iron Ltd.	Chhattisgarh
32	Fatehpur East	JLD Yavatmal Energy Ltd., R.K.M. Powergen Pvt. Ltd., Visa Power Ltd., Green Infrastructure Pvt. Ltd., Vandana Vidyut Ltd.	Chhattisgarh
33	Morga-I	Madhya Pradesh State Mining Corporation Limited	Chhattisgarh
34	Morga-III	Madhya Pradesh State Mineral Corporation Limited	Chhattisgarh
35	Morga-IV	Madhya Pradesh State Mineral Corporation Limited	Chhattisgarh
36	Gare-Palma Sector-II	Maharashtra State Mining Corpn. Ltd. Tamil Nadu State Electricity Board	Chhattisgarh
37	Gare-Palma-IV/5	Monet Ispat Ltd.	Chhattisgarh
38	Rajgamar Dipside (South of Phulakdih Nala)	Monnet Ispat and Energy Ltd., Topworth Steel Pvt. Ltd.	Chhattisgarh
39	Talaipali	National Thermal Power Ltd.	Chhattisgarh
40	Chotia	Prakash Industries Ltd.	Chhattisgarh
41	Gare-Palma-IV/7	Raipur Alloys & Steel Ltd. (Now Sarda Energy and Mineral Limited)	Chhattisgarh
42	Parsa East	Rajasthan Rajya Vidyut Utpadan Nigam Ltd. (RRVUNL)	Chhattisgarh
43	Kesla North	Rathi Udyog Ltd.	Chhattisgarh
44	Kanta Basan	Rajasthan Rajya Vidyut Utpadan Nigam Ltd. (RRVUNL)	Chhattisgarh
45	Panchbahani	Shree Radhe Industries Ltd.	Chhattisgarh
46	Fatehpur	SKS Ispat and Power Ltd., Prakash Industries Ltd.	Chhattisgarh
47	Madanpur (North)	Ultratech Ltd., Singhal Enterprise Ltd. , Nav Bharat Coalfield Ltd., Vandana Energy & Steel Pvt. Ltd., Prakash Industries Ltd., Anjani Steel Pvt. Ltd., Chhattisgarh Captive Coal Mining Ltd. (Consortium of five Co.)	Chhattisgarh
48	Brinda	Abhijeet Infrastructure Pvt. Ltd.	Jharkhand
49	Sasai	Abhijeet Infrastructure Pvt. Ltd.	Jharkhand
50	Meral	Abhijeet Infrastructure Pvt. Ltd.	Jharkhand
51	Seregarha	Arcelor Mittal India Ltd., GVK Power (Govindwal Sahib) Ltd.	Jharkhand
52	Patal East	Bhushan Power and Steel Ltd.	Jharkhand
53	Saria Koiyatand	Bihar Rajya Khanij Vikas Nigam (BRKVN) Patna.	Jharkhand
54	Macherkunda	Bihar Sponge Iron Ltd.	Jharkhand
55	Brahmadiha	Castron Technologies Ltd.	Jharkhand
56	Mahuagarhi	Calcutta Electricity Supply Corporation Ltd. (CESC), Jas Infrastructure Capital Pvt. Ltd.	Jharkhand
57	Chitarpur	Corporate Ispat Alloys Ltd.	Jharkhand
58	Saharpur Jamarpani	Damodar Valley Corporation	Jharkhand
59	Lalgarh (North)	Domco Smokeless Fuel Pvt. Ltd.	Jharkhand
60	Parbatpur-Central	Electrosteel castings Ltd.	Jharkhand
61	Chakla	Essar Power Ltd.	Jharkhand
62	Ashok Karkatta Central	Essar Power Ltd.	Jharkhand

1	2	3	4
63	Jainagar	Gujarat Mineral Development Corporation (GMDC)	Jharkhand
64	Tokisud North	GVK Power (Govindwal Sahib) Ltd.	Jharkhand
65	Tubed	Hindalco Industries Ltd., Tata Power Company Ltd.	Jharkhand
66	Moitra	Jayaswal Neco Ltd.	Jharkhand
67	North Dhadu	Jharkhand Ispat Pvt. Ltd., Pavanjay Steel & Power Ltd., Electrosteel castings Ltd., Adhunik Alloys & Power Ltd.	Jharkhand
68	Banhardih	Jharkhand State Electricity Board	Jharkhand
69	Sugia Closed mine	Jharkhand State Mineral Development Corporation	Jharkhand
70	Rauta Closed mine	Jharkhand State Mineral Development Corporation	Jharkhand
71	Burakhap small patch	Jharkhand State Mineral Development Corporation	Jharkhand
72	Pindra-Debipur-Khaowatand	Jharkhand State Mineral Development Corporation Ltd.	Jharkhand
73	Latehar	Jharkhand State Mineral Development Corporation Ltd.	Jharkhand
74	Patratu	Jharkhand State Mineral Development Corporation Ltd.	Jharkhand
75	Rabodih OCP	Jharkhand State Mineral Development Corporation Ltd.	Jharkhand
76	Jogeshwar & Khas Jogeshwar	Jharkhand State Mineral Development Corporation	Jharkhand
77	Jitpur	Jindal Steel & Power Ltd.	Jharkhand
78	Amarkonda Murgadangal	Jindal Steel and Power Ltd., Gagan Sponge Iron Pvt. Ltd.	Jharkhand
79	Urma Paharitola	Jharkhand State Electricity Board, Bihar State Mineral Development Corporation Ltd.	Jharkhand
80	Rohne	JSW Steel Ltd., Bhushan Power & Steel Ltd., Jai Balaji Industries Ltd.	Jharkhand
81	Gomia	Metals and Minerals Trading Corporation	Jharkhand
82	Rajhara North (Central & Eastern)	Mukund Limited, Vini Iron & Steel Udyog Limited	Jharkhand
83	Dumri	Nilachal Iron & Power Ltd., Bajrang Ispat Pvt. Ltd.	Jharkhand
84	Kerandari	National Thermal Power Ltd.	Jharkhand
85	Chhatti Bariatu	National Thermal Power Ltd.	Jharkhand
86	Chhati Bariatu South	National Thermal Power Ltd.	Jharkhand
87	Brahmini	National Thermal Power Ltd.+ Coal India Limited JV	Jharkhand
88	Chichro Patsimal	National Thermal Power Ltd.+ Coal India Limited JV	Jharkhand
89	Pachwara Central	Punjab State Electricity Board	Jharkhand
90	Mahal	Rashtriya Ispat Nigam Limited	Jharkhand
91	Tenughat-Jhirki	Rashtriya Ispat Nigam Limited	Jharkhand
92	Bundu	Rungta Mines Limited	Jharkhand
93	Mednirai	Rungta Mines Limited, Kohinoor Steel (P) Ltd.	Jharkhand
94	Choritand Tiliaya	Rungta Mines Limited, Sunflag Iron & Steel Co. Ltd.	Jharkhand
95	Sitanala	Steel Authority of India Ltd.	Jharkhand
96	Ganeshpur	Tata Steel Ltd., Adhunik Thermal Energy	Jharkhand
97	Badam	Tenughat Vidyut Nigam Limited	Jharkhand

1	2	3	4
98	Rajbar E&D	Tenughat Vidyut Nigam Limited	Jharkhand
99	Gondulpara	Tenughat Vidyut Nigam Limited, Damodar Valley Corporation	Jharkhand
100	Kotre-Basantpur	Tata Iron and Steel Co. Ltd. (Now Tata Steel Ltd.)	Jharkhand
101	Pachmo	Tata Iron and Steel Co. Ltd. (Now Tata Steel Ltd.)	Jharkhand
102	Lohari	Usha Martin Ltd.	Jharkhand
103	Kathautia	Usha Martin Ltd.	Jharkhand
104	Pachwara North	West Bengal Power Development Corporation Limited (WBPDC)	Jharkhand
105	Suliyari	Andhra Pradesh Mineral Development Corporation	Madhya Pradesh
106	Bikram	Birla Corporation Ltd.	Madhya Pradesh
107	Gotitoria (East)	BLA Industries Ltd.	Madhya Pradesh
108	Gotitoria (West)	BLA Industries Ltd.	Madhya Pradesh
109	Mahan	Essar Power Ltd., Hindalco Industries Ltd.	Madhya Pradesh
110	Mandla North	Jaiprakash Associates Ltd.	Madhya Pradesh
111	Urtan North	Jindal Steel & Power Ltd., Monet Ispat and Energy Ltd.	Madhya Pradesh
112	Thesgora-B/ Rudrapuri	Kamal Sponge Steel & Power Limited, Revati Cement P. Ltd.	Madhya Pradesh
113	Amelia	Madhya Pradesh State Mining Corporation	Madhya Pradesh
114	Amelia (North)	Madhya Pradesh State Mining Corporation	Madhya Pradesh
115	Mandla South	Madhya Pradesh State Mining Corporation Ltd.	Madhya Pradesh
116	Dongeri Tal-II	Madhya Pradesh State Mining Corporation Ltd. (MPSMC)	Madhya Pradesh
117	Marki Barka	Madhya Pradesh State Mining Corporation (MPSMC)	Madhya Pradesh
118	Semaria/Piparia	Madhya Pradesh State Mining Corporation (MPSMC)	Madhya Pradesh
119	Bicharpur	Madhya Pradesh State Mining Corporation Ltd. (MPSMC)	Madhya Pradesh
120	Tandsi-III & Tandsi -III (Extn.)	Mideast Integrated Steels Ltd.	Madhya Pradesh
121	Sahapur East	National Mineral Dev. Corp.	Madhya Pradesh
122	Sahapur West	National Mineral Dev. Corp.	Madhya Pradesh
123	Mara II Mahan	NCT of Delhi, Delhi, Haryana Power Generation Corp. Ltd. (HPGCL)	Madhya Pradesh
124	Sial Ghoghri	Prism Cement Limited	Madhya Pradesh
125	Brahampuri	Pushp Steel and Mining Ltd.	Madhya Pradesh
126	Rawanwara North	SKS Ispat Limited	Madhya Pradesh
127	Bander	AMR Iron & Steels Pvt. Ltd., Century Textiles & Industries Ltd., J.K.Cement Ltd.	Maharashtra
128	Marki Mangli-I	B.S. Ispat Ltd.	Maharashtra
129	Takli-Jena- Bellora (North) & Takli-Jena- Bellora (South)	Central Collieries Co. Ltd. and Lloyds Metals & Engineering Ltd.	Maharashtra
130	Dahegaon/ Makard hokra- IV	IST Steel & Power Ltd., Gujarat Ambuja Cement Ltd., Lafarge India Pvt. Ltd.	Maharashtra
131	Gondkhari	Maharashtra Seamless Limited, Dhariwal Infrastructure (P) Ltd., Kesoram Industries Ltd.	Maharashtra

1	2	3	4
132	Marki-Zari-Jamani-Adkoli	Maharashtra State Mining Corpn. Ltd.	Maharashtra
133	Lohara (East)	Murli Industries Ltd., Grace Industries Ltd.	Maharashtra
134	Khappa & Extn.	Sunflag Iron & Steel Ltd., Dalmia Cement (Bharat) Ltd.	Maharashtra
135	Lohara West Extn.	Adani Power Ltd.	Maharashtra
136	Warora West (North)	Bhatia International Ltd.	Maharashtra
137	Kosar Dongergaon	Chaman Metaliks Ltd.	Maharashtra
138	Warora (West) Southern Part	Fieldmining & Ispat Ltd.	Maharashtra
139	Chinora	Fieldmining & Ispat Ltd.	Maharashtra
140	Majra	Gondwana Ispat Ltd.	Maharashtra
141	Nerad Malegaon	Gupta Metaliks & Power Ltd., Gupta Coalfields & Washeries Ltd.	Maharashtra
142	Baranj - I	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
143	Baranj - II	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
144	Baranj - III	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
145	Baranj - IV	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
146	Kiloni	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
147	Manora Deep	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
148	Agarzari	Maharashtra State Mining Corporation Limited (MSMCL)	Maharashtra
149	Warora	Maharashtra State Mining Corporation Limited (MSMCL)	Maharashtra
150	Bhandak West	Shree Baidyanath Ayurved Bhawan Ltd.	Maharashtra
151	Marki Mangli-II	Shree Veerangana Steel Limited.	Maharashtra
152	Marki Mangli-III	Shree Veerangana Steel Limited.	Maharashtra
153	Marki Mangli-IV	Shree Veerangana Steel Limited.	Maharashtra
154	Belgaon	Sunflag Iron & Steel Co. Ltd.	Maharashtra
155	Mandakini B	Assam Mineral Dev. Corporation Ltd., Meghalaya Mineral Dev. Corp., Tamil Nadu Electricity Board, Odisha Mining Corporation Ltd.	Odisha
156	New Patrapara	Bhusan Steel & Strips Ltd., Adhunik Metaliks Ltd., Deepak Steel & Power Ltd., Adhunik Corp. Ltd., Odisha Sponge Iron Ltd., SMC Power Generation Ltd., Sree Metaliks Ltd., Visa Steel Ltd.	Odisha
157	Bijahan	Bhushan Ltd., Shri Mahavir Ferro Alloys Pvt. Limited	Odisha
158	Jamkhani	Bhushan Ltd.	Odisha
159	Naini	Gujarat Mineral Development Corporation, Puducherry Industrial Promotion Development and Investment Corporation Limited	Odisha
160	Mahanadi	Gujarat State Electricity Corporation Limited, Maharashtra State Electricity Board	Odisha
161	Machhakata	Gujarat State Electricity Corporation Limited, Maharashtra State Electricity Board	Odisha
162	Talabira-I	Hindalco Industries Ltd.	Odisha
163	Ramchandi Promotion Block	Jindal Steel & Power Limited	Odisha

1	2	3	4
164	Utkal B 1	Jindal Steel & Power Ltd.	Odisha
165	Baitarni West	Kerala State Electricity Board, Odisha Hydro Power Corp., Gujarat Power Corporation Ltd.	Odisha
166	Talabira II & III	Mahanadi Coalfields Ltd. (MCL), Neyveli Lignite Corporation Ltd., Hindalco Industries Ltd.	Odisha
167	Utkal-A	Mahanadi Coalfields Ltd. (MCL), JSW Steels Ltd., Jindal Thermal Power Comp. Ltd., Jindal Stainless Steels Ltd., Shyam DRI Ltd.	Odisha
168	Utkal-B2	Monet Ispat Ltd.	Odisha
169	Mandakini	Monet Ispat Energy Ltd., Jindal Photo Ltd., Tata Power Company Ltd.	Odisha
170	Utkal 'E'	National Aluminium Corporation	Odisha
171	Dulanga	National Thermal Power Corporation	Odisha
172	Utkal-D	Odisha Mining Corporation	Odisha
173	Nuagaon Telisahi	Odisha Mining Corporation. Andhra Pradesh Mineral Development (APMDC)	Odisha
174	Manoharpur	Odisha Power Generation Corporation	Odisha
175	Dipside Manoharpur	Odisha Power Generation Corporation	Odisha
176	Radhikapur (West)	Rungta Mines Limited, OCL India Ltd., Ocean Ispat Ltd.	Odisha
177	Rampia	Sterlite Energy Ltd., (IPP), GMR Energy Ltd. (IPP), Arcelor Mittal India Ltd. (CPP), Lanco Group Ltd. (IPP), Navbharat Power Pvt. Ltd. (IPP), Reliance Energy Ltd. (IPP)	Odisha
178	Dip Side of Rampia	Sterlite Energy Ltd., (IPP), GMR Energy (IPP), Arcelor Mittal India Ltd. (CPP), Lanco Group Ltd. (IPP), Navbharat Power Pvt. Ltd. (IPP), Reliance Energy Ltd. (IPP)	Odisha
179	North of Arkhapal Srirampur	Strategic Energy Technology Systems Limited (SETSL)	Odisha
180	Radhikapur(East)	Tata Sponge Iron Ltd, Scaw Industries Ltd., SPS Sponge Iron Ltd.	Odisha
181	Chendipada	Uttar Pradesh Rajya Vidut Utpadan Limited, Chattishgarh Mineral Development Corporation Limited, Maharashtra State Power Generation Corporation Ltd.	Odisha
182	Chendipada-II	Uttar Pradesh Rajya Vidut Utpadan Limited, Chattishgarh Mineral Development Corporation Limited, Maharashtra State Power Generation Corporation Ltd.	Odisha
183	Utkal-C	Utkal Coal Ltd. (formerly ICCL)	Odisha
184	Biharinath	Bankura DRI Mining Manufacturers Co. Pvt. Ltd.	West Bengal
185	Andal East	Bhushan Steel Ltd., Jai Balaji Industries Ltd., Rashmi Cement Ltd.	West Bengal
186	Barjora (North)	Damodar Valley Corporation	West Bengal
187	Kagra Joydev	Damodar Valley Corporation	West Bengal
188	Kasta (East)	Damodar Valley Corporation	West Bengal
189	Gourangdih ABC	Himachal EMTA Power Ltd., JSW Steel Ltd.	West Bengal
190	Moirra-Madhujore	Ramsarup Lohh Udyog Ltd., Adhunik Corporation Ltd., Uttam Galva Steels Ltd., Howrah Gases Ltd., Vikas Metal & Power Ltd., ACC Ltd.	West Bengal
191	Sarisatolli	Calcutta Electricity Supply Corporation Ltd.	West Bengal

1	2	3	4
192	Ardhagram	Sova Ispat Limited, Jaibalaji Sponge Ltd.	West Bengal
193	Tara (West)	West Bengal Power Development Corporation Limited (WBPDC)	West Bengal
194	Gangaramchak	West Bengal Power Development Corporation Limited (WBPDC)	West Bengal
195	Barjora	West Bengal Power Development Corporation Limited (WBPDC)	West Bengal
196	Gangaramchak-Bhadulia	West Bengal Power Development Corporation Limited (WBPDC)	West Bengal
197	Tara (East)	West Bengal State Electricity Board	West Bengal
198	Jaganathpur B	West Bengal Mineral Development & Trading Corp.	West Bengal
199	Sitarampur	West Bengal Mineral Dev. & Trading Corp. Ltd.	West Bengal
200	Trans Damodar	West Bengal Mineral Dev. & Trading Corp. Ltd.	West Bengal
201	Ichhapur	West Bengal Mineral Dev. & Trading Corp. Ltd.	West Bengal
202	Kulti	West Bengal Mineral Dev. & Trading Corp. Ltd.	West Bengal
203	Jaganathpur A	West Bengal Mineral Dev. & Trading Corp. Ltd.	West Bengal
204	East of Damogoria (Kalyaneshwari)	West Bengal Power Development Corporation Limited (WBPDC)	West Bengal

SCHEDULE II

[See section 3(I)(g)]

Sl. No.	Name of Coal Mine/Block	Name of Prior Allottee	State where Coal Mine/Block Located
1	2	3	4
1	Namchik Namphuk	Arunachal Pradesh Mineral Dev. & Trading Corporation	Arunachal Pradesh
2	Gare-Palma-IV/4	Jayaswal Neco Ltd.	Chhattisgarh
3	Gare-Palma-IV/2	Jindal Power Ltd. (Now Jindal Steel & Power Ltd.)	Chhattisgarh
4	Gare-Palma-IV/3	Jindal Power Ltd. (Now Jindal Steel & Power Ltd.)	Chhattisgarh
5	Gare-Palma-IV/1	Jindal Strips Limited (Now Jindal Steel & Power Ltd.)	Chhattisgarh
6	Gare-Palma-IV/5	Monet Ispat Ltd.	Chhattisgarh
7	Chotia	Prakash Industries Ltd.	Chhattisgarh
8	Gare-Palma-IV/7	Raipur Alloys & Steel Ltd. (Now Sarda Energy and Mineral Limited)	Chhattisgarh
9	Parsa East	Rajasthan Rajya Vidyut Utpadan Nigam Ltd. (RRVUNL)	Chhattisgarh
10	Kanta Basan	Rajasthan Rajya Vidyut Utpadan Nigam Ltd. (RRVUNL)	Chhattisgarh
11	Parbatpur-Central	Electrosteel Castings Ltd.	Jharkhand
12	Tokisud North	GVK Power (Govindwal Sahib) Ltd.	Jharkhand
13	Pachwara Central	Punjab State Electricity Board	Jharkhand
14	Kathautia	Usha Martin Ltd.	Jharkhand
15	Pachwara North	West Bengal Power Development Corporation Limited (WBPDC)	Jharkhand
16	Gotitoria (East)	BLA Industries Ltd.	Madhya Pradesh
17	Gotitoria (West)	BLA Industries Ltd.	Madhya Pradesh
18	Mandla North	Jaiprakash Associates Ltd.	Madhya Pradesh
19	Amelia (North)	Madhya Pradesh State Mining Corporation	Madhya Pradesh
20	Bicharpur	Madhya Pradesh State Mining Corporation Ltd. (MPSMC)	Madhya Pradesh

1	2	3	4
21	Sial Ghoghri	Prism Cement Limited	Madhya Pradesh
22	Marki Mangli-I	B.S. Ispat Ltd.	Maharashtra
23	Baranj - I	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
24	Baranj - II	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
25	Baranj - III	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
26	Baranj - IV	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
27	Kiloni	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
28	Manora Deep	Karnataka Power Corp. Ltd. (KPCL)	Maharashtra
29	Marki Mangli-II	Shree Veerangana Steels Limited.	Maharashtra
30	Marki Mangli-III	Shree Veerangana Steels Limited.	Maharashtra
31	Belgaon	Sunflag Iron & Steel Co. Ltd	Maharashtra
32	Talabira-I	Hindalco Industries Ltd.	Odisha
33	Barjora (North)	Damodar Valley Corporation	West Bengal
34	Kagra Joydev	Damodar Valley Corporation	West Bengal
35	Sarisatolli	Calcutta Electricity Supply Corporation Ltd.	West Bengal
36	Ardhagram	Sova Ispat Limited, Jai Balaji Sponge Ltd.	West Bengal
37	Tara (West)	West Bengal Power Development Corporation Limited (WBPDC)	West Bengal
38	Gangaramchak	West Bengal Power Development Corporation Limited (WBPDC)	West Bengal
39	Barjora	West Bengal Power Development Corporation Limited (WBPDC)	West Bengal
40	Gangaramchak-Bhadulia	West Bengal Power Development Corporation Limited (WBPDC)	West Bengal
41	Tara (East)	West Bengal State Electricity Board	West Bengal
42	Trans Damodar	West Bengal Mineral Dev. & Trading Corp. Ltd.	West Bengal

SCHEDULE III
[See section 3(I)(r)]

Sl. No.	Name of Coal Mine/Block	Name of Prior Allottee	State where Coal Mine/Block Located
1	2	3	4
1	Durgapur-II/Taraimar	Bharat Aluminium Company Ltd.	Chhattisgarh
2	Durgapur-II/Sarya	DB Power Ltd.	Chhattisgarh
3	Gare-Palma Sector-III	Goa Industrial Development Corporation	Chhattisgarh
4	Gare-Palma IV/8	Jayaswal Neco Ltd.	Chhattisgarh
5	Talaipali	National Thermal Power Ltd.	Chhattisgarh
6	Chatti Bariatu	National Thermal Power Ltd.	Jharkhand
7	Mahan	Essar Power Ltd., Hindalco Industries Ltd.	Madhya Pradesh
8	Mandla South	Madhya Pradesh State Mining Corporation Ltd.	Madhya Pradesh
9	Dongeri Tal-II	Madhya Pradesh State Mining Corporation Ltd. (MPSMC)	Madhya Pradesh
10	Kosar Dongergaon	Chaman Metaliks Ltd.	Maharashtra
11	Nerad Malegaon	Gupta Metaliks & Power Ltd., Gupta Coalfields & Washeries Ltd.	Maharashtra
12	Marki Mangli-IV	Shree Veerangana Steel Limited.	Maharashtra
13	Jamkhani	Bhushan Ltd.	Odisha
14	Utkal B 1	Jindal Steel & Power Ltd.	Odisha
15	Utkal-B 2	Monet Ispat Ltd.	Odisha
16	Mandakini	Monet Ispat Energy Ltd., Jindal Photo Ltd., Tata Power Company Ltd.	Odisha
17	Utkal-C	Utkal Coal Ltd. (formerly ICCL)	Odisha
18	Brinda	Abhijeet Infrastructure Pvt. Ltd.	Jharkhand
19	Sasai	Abhijeet Infrastructure Pvt. Ltd.	Jharkhand
20	Meral	Abhijeet Infrastructure Pvt. Ltd.	Jharkhand
21	Moitra	Jayaswal Neco Ltd	Jharkhand
22	Jitpur	Jindal Steel & Power Ltd.	Jharkhand
23	Rohne	JSW Steel Ltd., Bhushan Power & Steel Ltd., Jai Balaji Industries Ltd.	Jharkhand
24	Dumri	Nilachal Iron & Power Ltd., Bajrang Ispat Pvt. Ltd.	Jharkhand
25	Kerandari	National Thermal Power Ltd.	Jharkhand
26	Sitanala	Steel Authority of India Ltd.	Jharkhand
27	Ganeshpur	Tata Steel Ltd., Adhunik Thermal Energy	Jharkhand
28	Badam	Tenughat Vidyut Nigam Limited	Jharkhand
29	Tara	Chhattisgarh Mineral Development Corporation Ltd.	Chhattisgarh
30	Lohari	Usha Martin Ltd.	Jharkhand
31	Dulanga	National Thermal Power Corporation	Odisha
32	Manoharpur	Odisha Power Generation Corporation	Odisha

SCHEDULE IV

(See section 28)

PART A

THE COAL MINES (NATIONALISATION) ACT, 1973

(26 OF 1973)

Amendment of
section 1A.

1. In the Coal Mines (Nationalisation) Act, 1973 (herein referred to as the principal Act), in sub-section (1) of section 1A, after the word and figure "section 3", the word, figure and letter ", section 3A" shall be inserted.

Insertion of new
section 3A.

2. After section 3 of the principal Act, the following section shall be inserted, namely:—

Mining operation
by company and
others.

'3A. (1) Notwithstanding anything contained in this Act, any person being—

(a) a Government company or corporation or a joint venture company formed by such company or corporation or between the Central Government or the State Government, as the case may be, or any other company incorporated in India; or

(b) a company or a joint venture company formed by two or more companies,

may carry on coal mining operations in India, in any form either for own consumption, sale or for any other purpose in accordance with the prospecting licence or mining lease, as the case may be.

(2) The Central Government may, with a view to rationalise such coal mines so as to ensure the coordinated and scientific development and utilisation of coal resources consistent with the growing requirements of the country, from time to time, prescribe—

(i) the coal mines or coal bearing areas and their location;

(ii) the minimum size of the coal mine or coal bearing areas;

(iii) such other conditions,

which in the opinion of that Government may be necessary for the purpose of coal mining operations or mining for sale by a company.

Explanation.—For the purposes of this section, "company" means a company as defined in clause (20) of section 2 of the Companies Act, 2013.

18 of 2013.

Amendment of
section 34.

3. In section 34 of the principal Act, in sub-section (2), after clause (a), the following clause shall be inserted, namely:—

"(aa) the coal mines or coal bearing areas and their location, the minimum size of the coal mine or coal bearing areas, and such other conditions which may be necessary for the purpose of coal mining operations including mining for sale by a company under sub-section (2) of section 3A."

PART B

THE MINES AND MINERALS (DEVELOPMENT AND REGULATION) ACT, 1957

(67 OF 1957)

Substitution of
new section for
section 11A.

1. In the Mines and Minerals (Development and Regulation) Act, 1957 (herein referred to as the principal Act), for section 11A, the following section shall be substituted, namely:—

11A. (1) Notwithstanding anything contained in this Act, the Central Government may, for the purpose of granting reconnaissance permit, prospecting licence or mining lease in respect of any area containing coal or lignite, select any of the following companies through auction by competitive bidding, on such terms and conditions as may be prescribed, namely:—

Granting of reconnaissance permit, prospecting licence or mining lease.

(a) a Government company or corporation or a joint venture company formed by such company or corporation or between the Central Government or the State Government, as the case may be, or any other company incorporated in India; or

(b) a company or a joint venture company formed by two or more companies,

that carry on coal mining operations in India, in any form either for own consumption, sale or for any other purpose in accordance with the permit, prospecting licence or mining lease, as the case may be.

(2) The Central Government may, with a view to rationalise coal and lignite mines referred to in sub-section (1), so as to ensure the coordinated and scientific development and utilisation of resources consistent with the growing requirements of the country, from time to time, prescribe—

(i) the details of mines and their location;

(ii) the minimum size of such mines;

(iii) such other conditions,

which in the opinion of that Government may be necessary for the purpose of mining operations or mining for sale by a company.

(3) The State Government shall grant such reconnaissance permit, prospecting licence or mining lease in respect of any area containing coal or lignite to such company as selected through auction by competitive bidding or otherwise under this section:

Provided that the auction by competitive bidding under this section shall not be applicable to an area containing coal or lignite—

(a) where such area is considered for allocation to a Government company or corporation or a joint venture company formed by such company or corporation or between the Central Government or the State Government, as the case may be;

(b) where such area is considered for allocation to a company or corporation or that has been awarded a power project on the basis of competitive bids for tariff (including Ultra Mega Power Projects).

Explanation.—For the purposes of this section, "company" means a company as defined in clause (20) of section 2 of the Companies Act, 2013.

18 of 2013.

2. In section 13 of the principal Act, in sub-section (2), for clause (d), the following clause shall be substituted, namely:—

Amendment of section 13.

"(d) the terms and conditions of auction by competitive bidding, the details of mines and their location, the minimum size of such mines and such other conditions which may be necessary for the purpose of coal mining operations including mining for sale by a company under sub-section (1) and sub-section (2) of section 11A."

THE REGIONAL RURAL BANKS (AMENDMENT) ACT, 2015

(AS PASSED BY THE HOUSES OF PARLIAMENT)

(Act No. 14 of 2015)

(12-5-2015)

AN

ACT

further to amend the Regional Rural Banks (Amendment) Act, 1976.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

Short title and
commencement.**1. (1)** This Act may be called the Regional Rural Banks (Amendment) Act, 2015.**(2)** It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act.Amendment of
section 3.**2.** In the Regional Rural Banks Act, 1976 (hereinafter referred to as the principal Act), in section 3, in sub-section (3), in clause (c),—

(a) the words “during the first five years of its functioning” shall be omitted;

(b) the proviso shall be omitted.

Amendment of
section 5.**3.** In the principal Act, in section 5,—

(a) for the words “five crores of rupees divided into five lakhs of fully paid-up shares of one hundred rupees each”, the words “two thousand crore of rupees, divided into two hundred crore of fully paid-up shares of ten rupees each” shall be substituted;

(b) in the proviso, for the words “twenty-five lakhs of rupees, and the shares shall be, in all cases, fully paid-up shares of one hundred rupees each”, the words “one crore of rupees, and the shares shall be, in all cases, fully paid-up shares of ten rupees each” shall be substituted.

Amendment of
section 6.**4.** In the principal Act, in section 6,—

(a) in sub-section (1), for the words “twenty-five lakhs of rupees or exceed one crore of rupees”, the words “one crore of rupees” shall be substituted;

(b) in sub-section (2), the following provisos shall be inserted, namely:—

“Provided that in case the Regional Rural Bank raises its capital from sources other than the Central Government or the State Government or the Sponsor Bank, the shareholding of the Central Government and the Sponsor Bank shall not be less than fifty-one per cent.:

Provided further that the Central Government shall consult the concerned State Government if the level of shareholding in the Regional Rural Bank of such State Government is reduced below fifteen per cent.”;

(c) after sub-section (2), the following sub-section shall be inserted, namely:—

“(2A) The Central Government may, in consultation with the Sponsor Bank and the State Government, by notification, either raise or reduce the limit of shareholding of the Central Government, the State Government or the Sponsor Bank specified in sub-section (2):

Provided that the Central Government shall consult the concerned State Government before reducing the limit of shareholding of such State Government.”;

(d) in sub-section (3), after the words, brackets and figure "as is specified in sub-section (2)", the words, brackets, figure and letter "or, as the case may be, notified by the Central Government under sub-section (2A)" shall be inserted.

5. In the principal Act, in section 9, in sub-section (1),—

Amendment of section 9.

(a) in clause (a), the following proviso shall be inserted, namely:—

"Provided that no person shall be nominated as a director, if he is already a director on the Board of any other Regional Rural Bank;"

(b) after clause (e), the following clause shall be inserted, namely:—

"(f) such number of directors elected by the shareholders other than the directors nominated by the Central Government, the State Government, the Sponsor Bank and other institutions owned or controlled by the Central Government or the State Government, whose names are entered in the register of shareholders of the Regional Rural Bank at least ninety days before the date of the meeting in which the election of directors takes place on the following basis, namely:—

(i) where the total amount of equity share capital issued to such shareholders is ten per cent. or less of the total issued equity capital, one director shall be elected from such shareholders;

(ii) where the total amount of equity share capital issued to such shareholders is more than ten per cent. but less than twenty-five per cent. of the total issued equity capital, two directors shall be elected from the shareholders including the shareholders referred to in sub-clause (i);

(iii) where the total amount of equity share capital issued to such shareholders is twenty-five per cent. or more of the total issued equity capital, three directors shall be elected from the shareholders including shareholders referred to in sub-clauses (i) and (ii).";

(c) after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) The Central Government may appoint an officer of the Central Government on the Board of Regional Rural Banks, if it considers necessary for the purposes of effective functioning of the Regional Rural Banks.".

6. In the principal Act, for section 10, the following section shall be substituted, namely:—

Substitution of new section for section 10.

"10. A director nominated under clause (a) of sub-section (1) of section 9 shall hold office during the pleasure of the Central Government and for such term, not exceeding three years, from the date on which he assumes his office, as the Central Government may specify at the time of his nomination and shall be eligible for renomination:

Term of office of Director.

Provided that no such director shall hold office either continuously or intermittently for a period exceeding six years.".

7. In the principal Act, in section 19, in sub-section (1), for the figures, letters and words "31st day of December", the figures, letters and words "31st day of March" shall be substituted.

Amendment of section 19.

THE WAREHOUSING CORPORATIONS (AMENDMENT) ACT, 2015

(AS PASSED BY THE HOUSES OF PARLIAMENT)

(Act No. 16 of 2015)

(13-5-2015)

AN

ACT

further to amend the Warehousing Corporations Act, 1962.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

Short title.

1. This Act may be called the Warehousing Corporations (Amendment) Act, 2015.Substitution of
new section for
section 5.**2.** In the Warehousing Corporations Act, 1962 (hereinafter referred to as the principal Act), for section 5, the following section shall be substituted, namely:—

58 of 1962.

Certain shares to
be approved
securities.

“5. Notwithstanding anything contained in the Acts mentioned in this section, the shares of the Central Warehousing Corporation shall be deemed to be—

(a) included among other securities enumerated in section 20 of the Indian Trusts Act, 1882; and

2 of 1882.
4 of 1938.
10 of 1949.

(b) the approved securities for the purposes of the Insurance Act, 1938 and the Banking Regulation Act, 1949.”.

Amendment of
section 27.**3.** In the principal Act, in section 27, for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) The bonds and debentures of a State Warehousing Corporation may be guaranteed by the appropriate Government on the recommendation of the Board of Directors of the State Warehousing Corporation at the time such bonds or debentures are issued.”.

Amendment of
section 30.**4.** In the principal Act, in section 30, in sub-section (2), the proviso shall be omitted.Amendment of
section 31.**5.** In the principal Act, in section 31, in sub-section (8), the proviso shall be omitted.Amendment of
section 39.**6.** In the principal Act, in section 39, both the provisos shall be omitted.

THE REPEALING AND AMENDING ACT, 2015

(AS PASSED BY THE HOUSES OF PARLIAMENT)

(Act No. 17 of 2015)

(13-5-2015)

AN

ACT

to repeal certain enactments and to amend certain other enactments.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

1. This Act may be called the Repealing and Amending Act, 2015.

Short title.

2. The enactments specified in the First Schedule are hereby repealed to the extent mentioned in the fourth column thereof.Repeal of
certain
enactments.
Amendment
of certain
enactments.
Savings.**3.** The enactments specified in the Second Schedule are hereby amended to the extent and the manner mentioned in the fourth column thereof.**4.** The repeal by this Act of any enactment shall not affect any Act in which such enactment has been applied, incorporated or referred to;

and this Act shall not affect the validity, invalidity, effect or consequences of anything already done or suffered, or any right, title, obligation or liability already acquired, accrued or incurred, or any remedy or proceeding in respect thereof, or any release or discharge of or from any debt, penalty, obligation, liability, claim or demand, or any indemnity already granted, or the proof of any past act or thing;

nor shall this Act affect any principle or rule of law, or established jurisdiction, form or course of pleading, practice or procedure, or existing usage, custom, privilege, restriction, exemption, office or appointment, notwithstanding that the same respectively may have been in any manner affirmed, recognised or derived by, in or from any enactment hereby repealed;

nor shall the repeal by this Act of any enactment provide or restore any jurisdiction, office, custom, liability, right, title, privilege, restriction, exemption, usage, practice, procedure or other matter or thing not now existing or in force.

THE FIRST SCHEDULE

(See section 2)

REPEALS

Year	No.	Short title	Extent of repeal
1897	4	The Indian Fisheries Act, 1897	The whole.
1947	47	The Foreign Jurisdiction Act, 1947	The whole.
1978	49	The Sugar Undertakings (Taking Over of Management) Act, 1978	The whole.
1999	30	The Representation of the People (Amendment) Act, 1999	The whole.
1999	33	The Indian Majority (Amendment) Act, 1999	The whole.
1999	34	The Administrators-General (Amendment) Act, 1999	The whole.

Year	No.	Short title	Extent of repeal
1999	36	The Notaries (Amendment) Act, 1999	The whole .
1999	39	The Marriage Laws (Amendment) Act, 1999	The whole.
2001	30	The Repealing and Amending Act, 2001	The whole.
2001	49	The Marriage Laws (Amendment) Act, 2001	The whole.
2001	51	The Indian Divorce (Amendment) Act, 2001	The whole.
2002	26	The Indian Succession (Amendment) Act, 2002	The whole.
2002	37	The Legal Services Authorities (Amendment) Act, 2002	The whole.
2002	72	The Representation of the People (Third Amendment) Act, 2002	The whole.
2003	3	The Transfer of Property (Amendment) Act, 2002	The whole.
2003	4	The Indian Evidence (Amendment) Act, 2002	The whole.
2003	6	The Representation of the People (Second Amendment) Act, 2002	The whole.
2003	9	The Representation of the People (Amendment) Act, 2002	The whole.
2003	24	The Election Laws (Amendment) Act, 2003	The whole.
2003	40	The Representation of the People (Amendment) Act, 2003	The whole.
2003	46	The Election and Other Related Laws (Amendment) Act, 2003	The whole.
2003	50	The Marriage Laws (Amendment) Act, 2003	The whole.
2004	2	The Representation of the People (Second Amendment) Act, 2003	The whole.
2004	3	The Delimitation (Amendment) Act, 2003	The whole.
2005	4	The Delegated Legislation Provisions (Amendment) Act, 2004	The whole.
2005	39	The Hindu Succession (Amendment) Act, 2005	The whole.
2006	31	The Parliament (Prevention of Disqualification) Amendment Act, 2006	The whole.
2008	9	The Delimitation (Amendment) Act, 2008	The whole.
2008	10	The Representation of the People (Amendment) Act, 2008	The whole.
2009	41	The Representation of the People (Amendment) Act, 2009	The whole.
2010	30	The Personal Laws (Amendment) Act, 2010	The whole.
2010	36	The Representation of the People (Amendment) Act, 2010	The whole.
2012	29	The Anand Marriage (Amendment) Act, 2012	The whole.
2012	33	The Administrators-General (Amendment) Act, 2012	The whole.
2013	28	The Parliament (Prevention of Disqualification) Amendment Act, 2013	The whole.

THE SECOND SCHEDULE

(See section 3)

AMENDMENTS

Year	No.	Short title	Amendments
2013	25	The Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013	In the proviso to sub-section (3) of section 1, for the words "the notification", the words "the said notification" shall be substituted.
2014	17	The Whistle Blowers Protection Act, 2011	(a) In the Enacting Formula, for the words "Sixty-second Year", the words "Sixty-fifth Year" shall be substituted; and (b) in sub-section (1) of section 1, for the figures "2011", the figures "2014" shall be substituted.

THE MINES AND MINERALS (DEVELOPMENT AND REGULATION)
AMENDMENT ACT, 2015

(AS PASSED BY THE HOUSES OF PARLIAMENT)

(Act No. 10 of 2015)

(26-3-2015)

AN

ACT

further to amend the Mines and Minerals (Development and Regulation) Act, 1957.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

1. (1) This Act may be called the Mines and Minerals (Development and Regulation) Amendment Act, 2015.

Short title and commencement.

(2) It shall be deemed to have come into force on the 12th day of January, 2015.

67 of 1957.

2. In the Mines and Minerals (Development and Regulation) Act, 1957 (hereinafter referred to as the principal Act), in section 3,—

Amendment of section 3.

(i) after clause (e), the following clause shall be inserted, namely:—

‘(ea) “notified minerals” means any mineral specified in the Fourth Schedule;’;

(ii) after clause (g), the following clause shall be inserted, namely:—

‘(ga) “prospecting licence-cum-mining lease” means a two stage concession granted for the purpose of undertaking prospecting operations followed by mining operations;’;

(iii) in clause (hb), the word “and”, occurring at the end, shall be omitted;

(iv) after clause (hb), the following clause shall be inserted, namely:—

‘(hc) “Special Court” means a Court of Session designated as Special Court under sub-section (I) of section 30B; and’.

Amendment
of section 4.

3. In section 4 of the principal Act, in the second proviso to sub-section (I), for the words and figures “section 617 of the Companies Act, 1956”, the words, brackets and figures “clause (45) of section 2 of the Companies Act, 2013, and any such entity that may be notified for this purpose by the Central Government” shall be substituted.

1 of 1956.
18 of 2013.

Amendment
of section
4A.

4. In section 4A of the principal Act, in sub-section (4), for the provisos, the following provisos shall be substituted, namely:—

“Provided that the State Government may, on an application made by the holder of such lease before it lapses and on being satisfied that it will not be possible for the holder of the lease to undertake mining operations or to continue such operations for reasons beyond his control, make an order, within a period of three months from the date of receiving of such application, subject to such conditions as may be prescribed, to the effect that such lease shall not lapse:

Provided further that such lease shall lapse on failure to undertake mining operations or inability to continue the same before the end of a period of six months from the date of the order of the State Government:

Provided also that the State Government may, on an application made by the holder of a lease submitted within a period of six months from the date of its lapse and on being satisfied that such non-commencement or discontinuance was due to reasons beyond the control of the holder of the lease, revive the lease within a period of three months from the date of receiving the application from such prospective or retrospective date as it thinks fit but not earlier than the date of lapse of the lease:

Provided also that no lease shall be revived under the third proviso for more than twice during the entire period of the lease.”.

Amendment
of section 5.

5. In section 5 of the principal Act,—

(A) in sub-section (I),—

(i) in clause (a), for the words, brackets and figures “sub-section (I) of section 3 of the Companies Act, 1956”, the words, brackets and figures “clause (20) of section 2 of the Companies Act, 2013” shall be substituted;

1 of 1956.
18 of 2013.

(ii) for the proviso, the following proviso shall be substituted, namely:—

“Provided that in respect of any mineral specified in Part A and Part B of the First Schedule, no reconnaissance permit, prospecting licence or mining lease shall be granted except with the previous approval of the Central Government.”;

(B) in sub-section (2),—

(i) for clause (a), the following clause shall be substituted, namely:—

“(a) there is evidence to show the existence of mineral contents in the area for which the application for a mining lease has been made in accordance with such parameters as may be prescribed for this purpose by the Central Government;”;

(ii) after clause (b), the following proviso shall be inserted, namely:—

“Provided that a mining lease may be granted upon the filing of a mining plan in accordance with a system established by the State Government for preparation, certification, and monitoring of such plan, with the approval of the Central Government.”.

6. In section 6 of the principal Act, in sub-section (1), in clause (b), for the proviso, the following proviso shall be substituted, namely:—

Amendment of section 6.

“Provided that if the Central Government is of the opinion that in the interest of the development of any mineral or industry, it is necessary so to do, it may, for reasons to be recorded in writing, increase the aforesaid area limits in respect of prospecting licence or mining lease, in so far as it pertains to any particular mineral, or to any specified category of deposits of such mineral, or to any particular mineral located in any particular area.”.

7. For section 8 of the principal Act, the following section shall be substituted, namely:—

Substitution of new section for section 8.

“8. (1) The provisions of this section shall apply to minerals specified in Part A of the First Schedule.

Periods for which mining leases may be granted or renewed.

(2) The maximum period for which a mining lease may be granted shall not exceed thirty years:

Provided that the minimum period for which any such mining lease may be granted shall not be less than twenty years.

(3) A mining lease may be renewed for a period not exceeding twenty years with the previous approval of the Central Government.”.

8. After section 8 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 8A.

“8A. (1) The provisions of this section shall apply to minerals other than those specified in Part A and Part B of the First Schedule.

Period of grant of a mining lease for minerals other than coal, lignite and atomic minerals.

(2) On and from the date of the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015, all mining leases shall be granted for the period of fifty years.

(3) All mining leases granted before the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 shall be deemed to have been granted for a period of fifty years.

(4) On the expiry of the lease period, the lease shall be put up for auction as per the procedure specified in this Act.

(5) Notwithstanding anything contained in sub-sections (2), (3) and sub-section (4), the period of lease granted before the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015, where mineral is used for captive purpose, shall be extended and be deemed to have been extended up to a period ending on the 31st March, 2030 with effect from the date of expiry of the period of renewal last made or till the completion of renewal period, if any, or a period of

fifty years from the date of grant of such lease, whichever is later, subject to the condition that all the terms and conditions of the lease have been complied with.

(6) Notwithstanding anything contained in sub-sections (2), (3) and sub-section (4), the period of lease granted before the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015, where mineral is used for other than captive purpose, shall be extended and be deemed to have been extended up to a period ending on the 31st March, 2020 with effect from the date of expiry of the period of renewal last made or till the completion of renewal period, if any, or a period of fifty years from the date of grant of such lease, whichever is later, subject to the condition that all the terms and conditions of the lease have been complied with.

(7) Any holder of a lease granted, where mineral is used for captive purpose, shall have the right of first refusal at the time of auction held for such lease after the expiry of the lease period.

(8) Notwithstanding anything contained in this section, the period of mining leases, including existing mining leases, of Government companies or corporations shall be such as may be prescribed by the Central Government.

(9) The provisions of this section, notwithstanding anything contained therein, shall not apply to a mining lease granted before the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015, for which renewal has been rejected, or which has been determined, or lapsed. ”.

Insertion of
new sections
9B and 9C.

9. After section 9A of the principal Act, the following sections shall be inserted, namely:—

District
Mineral
Foundation.

“9B. (1) In any district affected by mining related operations, the State Government shall, by notification, establish a trust, as a non-profit body, to be called the District Mineral Foundation.

(2) The object of the District Mineral Foundation shall be to work for the interest and benefit of persons, and areas affected by mining related operations in such manner as may be prescribed by the State Government.

(3) The composition and functions of the District Mineral Foundation shall be such as may be prescribed by the State Government.

(4) The State Government while making rules under sub-sections (2) and (3) shall be guided by the provisions contained in article 244 read with Fifth and Sixth Schedules to the Constitution relating to administration of the Scheduled Areas and Tribal Areas and the Provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996 and the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006.

40 of 1996.
2 of 2007.

(5) The holder of a mining lease or a prospecting licence-cum-mining lease granted on or after the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015, shall, in addition to the royalty, pay to the District Mineral Foundation of the district in which the mining operations are carried on, an amount which is equivalent to such percentage of the royalty paid in terms of the Second Schedule, not exceeding one-third of such royalty, as may be prescribed by the Central Government.

(6) The holder of a mining lease granted before the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015, shall, in addition to the royalty, pay to the District Mineral Foundation of the district in which the mining operations are carried on, an amount not exceeding the royalty paid in terms of the Second Schedule in such manner and subject to the categorisation of the mining leases and the amounts payable by the various categories of lease holders, as may be prescribed by the Central Government.

9C. (1) The Central Government shall, by notification, establish a Trust, as a non-profit body, to be called the National Mineral Exploration Trust.

National
Mineral
Exploration
Trust.

(2) The object of the Trust shall be to use the funds accrued to the Trust for the purposes of regional and detailed exploration in such manner as may be prescribed by the Central Government.

(3) The composition and functions of the Trust shall be such as may be prescribed by the Central Government.

(4) The holder of a mining lease or a prospecting licence-cum-mining lease shall pay to the Trust, a sum equivalent to two per cent. of the royalty paid in terms of the Second Schedule, in such manner as may be prescribed by the Central Government.”.

10. After section 10 of the principal Act, the following sections shall be inserted, namely:—

Insertion of
new sections
10A, 10B,
and 10C.

“10A. (1) All applications received prior to the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015, shall become ineligible.

Rights of
existing
concession
holders and
applicants.

(2) Without prejudice to sub-section (1), the following shall remain eligible on and from the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015:—

(a) applications received under section 11A of this Act;

(b) where before the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015 a reconnaissance permit or prospecting licence has been granted in respect of any land for any mineral, the permit holder or the licensee shall have a right for obtaining a prospecting licence followed by a mining lease, or a mining lease, as the case may be, in respect of that mineral in that land, if the State Government is satisfied that the permit holder or the licensee, as the case may be,—

(i) has undertaken reconnaissance operations or prospecting operations, as the case may be, to establish the existence of mineral contents in such land in accordance with such parameters as may be prescribed by the Central Government;

(ii) has not committed any breach of the terms and conditions of the reconnaissance permit or the prospecting licence;

(iii) has not become ineligible under the provisions of this Act; and

(iv) has not failed to apply for grant of prospecting licence or mining lease, as the case may be, within a period of three months after the expiry of reconnaissance permit or prospecting licence, as the case may be, or within such further period not exceeding six months as may be extended by the State Government;

(c) where the Central Government has communicated previous approval as required under sub-section (1) of section 5 for grant of a mining lease, or if a letter of intent (by whatever name called) has been issued by the State Government to grant a mining lease, before the commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2015, the mining lease shall be granted subject to fulfilment of the conditions of the previous approval or of the letter of intent within a period of two years from the date of commencement of the said Act:

Provided that in respect of any mineral specified in the First Schedule, no prospecting licence or mining lease shall be granted under clause (b) of this sub-section except with the previous approval of the Central Government.

Grant of mining lease in respect of notified minerals through auction.

10B. (1) The provisions of this section shall not be applicable to cases covered by section 10A or section 17A or to minerals specified in Part A or Part B of the First Schedule or to land in respect of which the minerals do not vest in the Government.

(2) Where there is inadequate evidence to show the existence of mineral contents of any notified mineral in respect of any area, a State Government may, after obtaining the previous approval of the Central Government, grant a prospecting licence-cum-mining lease for the said notified mineral in such area in accordance with the procedure laid down in section 11.

(3) In areas where the existence of mineral contents of any notified mineral is established in the manner prescribed by the Central Government, the State Government shall notify such areas for grant of mining leases for such notified mineral, the terms and conditions subject to which such mining leases shall be granted, and any other relevant conditions, in such manner as may be prescribed by the Central Government.

(4) For the purpose of granting a mining lease in respect of any notified mineral in such notified area, the State Government shall select, through auction by a method of competitive bidding, including e-auction, an applicant who fulfils the eligibility conditions as specified in this Act.

(5) The Central Government shall prescribe the terms and conditions, and procedure, subject to which the auction shall be conducted, including the bidding parameters for the selection, which may include a share in the production of the mineral, or any payment linked to the royalty payable, or any other relevant parameter, or any combination or modification of them.

(6) Without prejudice to the generality of sub-section (5), the Central Government shall, if it is of the opinion that it is necessary and expedient to do so, prescribe terms and conditions, procedure and bidding parameters in respect of categories of minerals, size and area of mineral deposits and a State or States, subject to which the auction shall be conducted:

Provided that the terms and conditions may include the reservation of any particular mine or mines for a particular end-use and subject to such condition which allow only such eligible end users to participate in the auction.

(7) The State Government shall grant a mining lease to an applicant selected in accordance with the procedure laid down in this section in respect of such notified mineral in any notified area.

Grant of non-exclusive reconnaissance permits.

10C. (1) Non-exclusive reconnaissance permits may be granted in respect of any notified mineral or non-notified mineral or a group of specified minerals, other than minerals specified in Part A or Part B of the First Schedule, subject to such terms and conditions as may be prescribed by the Central Government.

(2) The holder of such non-exclusive reconnaissance permit shall not be entitled to make any claim for the grant of any prospecting licence-cum-mining lease or a mining lease.”.

11. For section 11 of the principal Act, the following section shall be substituted, namely:—

“11. (1) The provisions of this section shall not be applicable to cases covered by section 10A or section 17A or to minerals specified in Part A or Part B of the First Schedule or to land in respect of which minerals do not vest in the Government.

(2) In areas where there is evidence to show the existence of mineral contents as required by clause (a) of sub-section (2) of section 5, the State Government shall grant a mining lease for minerals other than notified minerals following the procedure laid down in section 10B.

(3) In areas where there is inadequate evidence to show the existence of mineral contents as required under clause (a) of sub-section (2) of section 5, the State Government shall grant a prospecting licence-cum-mining lease for minerals other than notified minerals in accordance with the procedure laid down in this section.

(4) The State Government shall notify the areas in which prospecting licence-cum-mining leases shall be granted for any minerals other than notified minerals, the terms and conditions subject to which such prospecting licence-cum-mining leases shall be granted, and any other relevant conditions, in such manner as may be prescribed by the Central Government.

(5) For the purpose of granting prospecting licence-cum-mining leases, the State Government shall select, through auction by method of competitive bidding, including e-auction, an applicant who fulfils the eligibility conditions as specified in this Act.

(6) The Central Government shall prescribe the terms and conditions, and procedure, subject to which the auction shall be conducted, including the bidding parameters for the selection, which may include a share in the production of the mineral, or any payment linked to the royalty payable, or any other relevant parameter, or any combination or modification of them.

(7) Without prejudice to the generality of sub-section (6), the Central Government shall, if it is of the opinion that it is necessary and expedient to do so, prescribe terms and conditions, procedure and bidding parameters in respect of categories of minerals, size and area of mineral deposits and a State or States, subject to which the auction shall be conducted.

(8) The State Government shall grant a prospecting licence-cum-mining lease to an applicant selected in accordance with the procedure laid down in this section.

(9) The holder of a prospecting licence-cum-mining lease shall be required to complete, within the period laid down in section 7, the prospecting operations satisfactorily as specified in the notice inviting applications.

(10) A holder of a prospecting licence-cum-mining lease, who completes the prospecting operation as laid down in sub-section (9) and establishes the existence of mineral contents in the area in conformity with such parameters as may be prescribed for this purpose by the Central Government, shall be required to apply for a mining lease for such area and shall have the right to get the mining lease and thereafter undertake mining operations in accordance with the provisions of this Act.”.

12. After section 11A of the principal Act, the following sections shall be inserted, namely:—

“11B. The Central Government may, by notification in the Official Gazette, make rules for regulating the grant of mining leases or other mineral concessions in respect of minerals specified in Part B of the First Schedule and for purposes connected therewith, and the State Government shall grant a reconnaissance permit, prospecting licence or mining lease in respect of any such mineral in accordance with such rules.

Substitution of new section for section 11.

Grant of prospecting licence-cum-mining lease through auction in respect of minerals other than notified minerals.

Insertion of new sections 11B and 11C.

Power of Central Government to make rules for regulating atomic minerals specified under Part B of First Schedule.

Power of
Central
Government
to amend
First Schedule
and Fourth
Schedule.

11C. The Central Government may, by notification in the Official Gazette, amend the First Schedule and the Fourth Schedule so as to add or delete any mineral as may be specified in the notification.”.

Insertion of
new section
12A.

13. After section 12 of the principal Act, the following section shall be inserted, namely:—

Transfer of
mineral
concessions.

“12A. (1) The provisions of this section shall not apply to minerals specified in Part A or Part B of the First Schedule.

(2) A holder of a mining lease or a prospecting licence-cum-mining lease granted in accordance with the procedure laid down in section 10B or section 11 may, with the previous approval of the State Government, transfer his mining lease or prospecting licence-cum-mining lease, as the case may be, in such manner as may be prescribed by the Central Government, to any person eligible to hold such mining lease or prospecting licence-cum-mining lease in accordance with the provisions of this Act and the rules made thereunder.

(3) If the State Government does not convey its previous approval for transfer of such mining lease or prospecting licence-cum-mining lease, as the case may be, within a period of ninety days from the date of receiving such notice, it shall be construed that the State Government has no objection to such transfer:

Provided that the holder of the original mining lease or prospecting licence-cum-mining lease shall intimate to the State Government the consideration payable by the successor-in-interest for the transfer, including the consideration in respect of the prospecting operations already undertaken and the reports and data generated during the operations.

(4) No such transfer of a mining lease or prospecting licence-cum-mining lease, referred to in sub-section (2), shall take place if the State Government, within the notice period and for reasons to be communicated in writing, disapproves the transfer on the ground that the transferee is not eligible as per the provisions of this Act:

Provided that no such transfer of a mining lease or of a prospecting licence-cum-mining lease, shall be made in contravention of any condition subject to which the mining lease or the prospecting licence-cum-mining lease was granted.

(5) All transfers effected under this section shall be subject to the condition that the transferee has accepted all the conditions and liabilities under any law for the time being in force which the transferor was subject to in respect of such a mining lease or prospecting licence-cum-mining lease, as the case may be.

(6) The transfer of mineral concessions shall be allowed only for concessions which are granted through auction.”.

Amendment of
section 13.

14. In section 13 of the principal Act, in sub-section (2),—

(i) after clause (j), the following clause shall be inserted, namely:—

“(jj) parameters of existence of mineral contents under clause (a) of sub-section (2) of section 5;”;

(ii) in clause (qq), the word “and” occurring at the end shall be omitted;

(iii) after clause (qq), the following clauses shall be inserted, namely:—

“(qqa) the amount of payment to be made to the District Mineral Foundation under sub-sections (5) and (6) of section 9B;

(*qqb*) the manner of usage of funds accrued to the National Mineral Exploration Trust under sub-section (2) of section 9C;

(*qqc*) the composition and functions of the National Mineral Exploration Trust under sub-section (3) of section 9C;

(*qqd*) the manner of payment of amount to the National Mineral Exploration Trust under sub-section (4) of section 9C;

(*qqe*) the terms and conditions subject to which mining leases shall be granted under sub-section (3) of section 10B;

(*qqf*) the terms and conditions, and procedure, subject to which the auction shall be conducted including the bidding parameters for the selection under sub-section (5) of section 10B;

(*qqg*) the time limits for various stages in processing applications for grant of mining lease or prospecting licence-cum-mining lease under sections 10B, 11, 11A, 11B, and section 17A, and their renewals;

(*qqh*) the terms and conditions for grant of non-exclusive reconnaissance permits under sub-section (1) of section 10C;

(*qqi*) the terms and conditions for grant of prospecting licence-cum-mining leases under sub-section (4) of section 11;

(*qqj*) the terms and conditions, and procedure, including the bidding parameters for the selection under sub-section (6) of section 11;

(*qqk*) the amount to be payable by a Government company or corporation, or a joint venture for grant of mining lease under sub-section (2C) of section 17A; and”.

15. In section 15 of the principal Act, after sub-section (3), the following sub-section shall be inserted, namely:—

Amendment of section 15.

“(4) Without prejudice to sub-sections (1), (2) and sub-section (3), the State Government may, by notification, make rules for regulating the provisions of this Act for the following, namely:—

(a) the manner in which the District Mineral Foundation shall work for the interest and benefit of persons and areas affected by mining under sub-section (2) of section 9B;

(b) the composition and functions of the District Mineral Foundation under sub-section (3) of section 9B; and

(c) the amount of payment to be made to the District Mineral Foundation by concession holders of minor minerals under section 15A.”.

16. After section 15 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 15A.

“15A. The State Government may prescribe the payment by all holders of concessions related to minor minerals of amounts to the District Mineral Foundation of the district in which the mining operations are carried on.”.

Power of State Government to collect funds for District Mineral Foundation in case of minor minerals.

Amendment
of section
17A.

17. In section 17A of the principal Act, after sub-section (2), the following sub-sections shall be inserted, namely:—

“(2A) Where in exercise of the powers conferred by sub-section (1A) or sub-section (2), the Central Government or the State Government, as the case may be, reserves any area for undertaking prospecting or mining operations, the State Government shall grant prospecting licence or mining lease, as the case may be, in respect of such area to such Government company or corporation:

Provided that in respect of any mineral specified in Part A and Part B of the First Schedule, the State Government shall grant the prospecting licence or mining lease, as the case may be, only after obtaining the previous approval of the Central Government.

(2B) Where the Government company or corporation is desirous of carrying out the prospecting operations or mining operations in a joint venture with other persons, the joint venture partner shall be selected through a competitive process, and such Government company or corporation shall hold more than seventy-four per cent. of the paid up share capital in such joint venture.

(2C) A mining lease granted to a Government company or corporation, or a joint venture, referred to in sub-sections (2A) and (2B), shall be granted on payment of such amount as may be prescribed by the Central Government.”.

Insertion of
new section
20A.

18. After section 20 of the principal Act, the following section shall be inserted, namely:—

Power of
Central
Government
to issue
directions.

“20A. (1) Notwithstanding anything contained in this Act, the Central Government may issue such directions to the State Governments, as may be required for the conservation of mineral resources, or on any policy matter in the national interest, and for the scientific and sustainable development and exploitation of mineral resources.

(2) In particular, and without prejudice to the generality of the foregoing powers, the Central Government may also issue directions in respect of the following matters, namely:—

(i) improvement in procedure for grant of mineral concessions and to ensure co-ordination among agencies entrusted with according statutory clearances;

(ii) maintenance of internet-based databases including development and operation of a mining tenement system;

(iii) implementation and evaluation of sustainable development frameworks;

(iv) reduction in waste generation and related waste management practices and promotion of recycling of materials;

(v) minimising and mitigating adverse environmental impacts particularly in respect of ground water, air, ambient noise and land;

(vi) ensuring minimal ecological disturbance, in terms of bio-diversity, flora, fauna and habitat;

(vii) promoting restoration and reclamation activities so as to make optimal use of mined out land for the benefit of the local communities; and

(viii) such other matters as may be necessary for the purposes of implementation of this Act.”.

Amendment
of section 21.

19. In section 21 of the principal Act, for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:—

“(1) Whoever contravenes the provisions of sub-section (1) or sub-section (1A) of section 4 shall be punishable with imprisonment for a term which may extend to five years and with fine which may extend to five lakh rupees per hectare of the area.

(2) Any rule made under any provision of this Act may provide that any contravention thereof shall be punishable with imprisonment for a term which may extend to two years or with fine which may extend to five lakh rupees, or with both, and in the case of a continuing contravention, with additional fine which may extend to fifty thousand rupees for every day during which such contravention continues after conviction for the first such contravention.”.

20. For section 30 of the principal Act, the following section shall be substituted, namely:—

Substitution of new section for section 30.

“30. The Central Government may, of its own motion or on an application made within the prescribed time by an aggrieved party, —

Power of revision by Central Government.

(a) revise any order made by a State Government or other authority in exercise of the powers conferred on it by or under this Act with respect to any mineral other than a minor mineral; or

(b) where no such order has been made by the State Government or other authority in exercise of the powers conferred on it by or under this Act with respect to any mineral other than a minor mineral within the time prescribed therefor, pass such order as it may think fit and appropriate in the circumstances:

Provided that in cases covered by clause (b) the Central Government shall, before passing any order under this clause, give an opportunity of being heard or to represent in the matter.”.

21. After section 30A of the principal Act, the following sections shall be inserted, namely:—

Insertion of new sections 30B and 30C.

“30B. (1) The State Government may, for the purposes of providing speedy trial of offences for contravention of the provisions of sub-section (1) or sub-section (1A) of section 4, constitute, by notification, as many Special Courts as may be necessary for such area or areas, as may be specified in the notification.

Constitution of Special Courts.

(2) A Special Court shall consist of a Judge who shall be appointed by the State Government with the concurrence of the High Court.

(3) A person shall not be qualified for appointment as a judge of a Special Court unless he is or has been a District and Sessions Judge.

(4) Any person aggrieved by the order of the Special Court may prefer an appeal to the High Court within a period of sixty days from the date of such order.

30C. Save as otherwise provided in this Act, the Code of Criminal Procedure, 1973, shall apply to the proceedings before the Special Court and for the purpose of the provisions of this Act, the Special Court shall be deemed to be a Court of Session and shall have all powers of a Court of Session and the person conducting a prosecution before the Special Court shall be deemed to be a public prosecutor.”.

Special Courts to have powers of Court of Session.

22. In the principal Act, in the First Schedule, for the figures and brackets “8(2)”, the figures, brackets, letters and word “8(1), 8A(1), 10A, 10B(1), 10C(1), 11(1), 11B, 11C, 12A(1), and 17A(2A)” shall be substituted.

Amendment of First Schedule.

23. In the principal Act, after the Third Schedule, the following Schedule shall be inserted, namely:—

Insertion of a new Schedule.

“THE FOURTH SCHEDULE

[See clause (ea) of section 3]

Notified Minerals

1. Bauxite.
2. Iron ore.
3. Limestone.
4. Manganese ore.”.

Power to
remove
difficulties.

24. (1) If any difficulty arises in giving effect to the provisions of the Mines and Minerals (Development and Regulation) Amendment Act, 2015, the Central Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of the said Act, as appear to it to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made under this section after the expiry of a period of two years from the commencement of the said Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

Repeal and
savings.

25. (1) The Mines and Minerals (Development and Regulation) Amendment Ordinance, 2015, is hereby repealed.

Ord. 3 of
2015.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of the principal Act, as amended by this Act.

THE PAYMENT AND SETTLEMENT SYSTEMS (AMENDMENT) ACT, 2015

(AS PASSED BY THE HOUSES OF PARLIAMENT)

(Act No. 18 of 2015)

(13-5-2015)

AN

ACT

to amend the Payment and Settlement Systems Act, 2007.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

Short title and
commencement.

1. (1) This Act may be called the Payment and Settlement Systems (Amendment) Act, 2015.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act, and any reference to the commencement in any such provision of this Act shall be construed as a reference to the commencement of that provision.

51 of 2007.

2. In section 2 of the Payment and Settlement Systems Act, 2007 (hereinafter referred to as the principal Act),—

Amendment of section 2.

(i) after clause (d), the following clauses shall be inserted, namely:—

‘(da) “issuer” means a person who issues a legal entity identifier or such other unique identification (by whatever name called), as may be specified by the Reserve Bank from time to time;

(db) “legal entity identifier” means a unique identity code assigned to a person by an issuer for the purpose of identifying that person in such derivatives or financial transactions, as may be specified by the Reserve Bank from time to time;’;

(ii) after clause (q), the following clause shall be inserted, namely:—

‘(r) “trade repository” means a person who is engaged in the business of collecting, collating, storing, maintaining, processing or disseminating electronic records or data relating to such derivatives or financial transactions, as may be specified by the Reserve Bank from time to time.’.

3. In section 23 of the principal Act,—

Amendment of section 23.

(i) in sub-section (1), after the words “to a payment system” occurring at the end, the words and figure “under section 7, or, such gross or netting procedure as may be approved by it under any other provisions of this Act” shall be inserted;

(ii) for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) Where, by an order of a court, Tribunal or authority—

(a) a system participant is declared as insolvent or is dissolved or wound up; or

(b) a liquidator or receiver or assignee (by whatever name called), whether provisional or otherwise, is appointed in a proceeding relating to insolvency or dissolution or winding up of a system participant,

then, notwithstanding anything contained in the Banking Regulation Act, 1949 or the Companies Act, 1956 or the Companies Act, 2013 or any other law for the time being in force, such order shall not affect any settlement that has become final and irrevocable prior to such order or immediately thereafter, and the right of the system provider to appropriate any collaterals contributed by the system participants towards its settlement or other obligations in accordance with the rules, regulations or bye-laws relating to such system provider.”;

(iii) after sub-section (4), the following sub-sections shall be inserted, namely:—

“(5) Where an order referred to in sub-section (4) is made with respect to a central counter party, then, notwithstanding such order or anything contained in the Banking Regulation Act, 1949 or the Companies Act, 1956 or the Companies Act, 2013 or any other law for the time being in force, the payment obligations and settlement instructions for the central counter party and the system participants including those arising from transactions admitted for settlement at a future date, shall be determined forthwith by such central counter party in accordance with the gross or netting procedure, as the case may be, approved by the Reserve Bank, while issuing authorisation or under any other provisions of this Act, and such determination shall be final and irrevocable.

(6) Notwithstanding anything contained in the Banking Regulation Act, 1949 or the Companies Act, 1956 or the Companies Act, 2013 or any other law for the time being in force, the liquidator or receiver or assignee (by whatever name called) of the central counter party, whether appointed as provisional or otherwise, shall—

(a) not re-open any determination that has become final and irrevocable;

10 of 1949.
1 of 1956.
18 of 2013.

10 of 1949.
1 of 1956.
18 of 2013.

10 of 1949.
1 of 1956.
18 of 2013.

(b) after appropriating in accordance with the rules, regulations or bye-laws of the central counter party, the collaterals provided by the system participants towards their settlement or other obligations, return the collaterals held in excess to the system participants concerned.”;

(iv) the existing *Explanation* shall be numbered as *Explanation 1* thereof and after *Explanation 1*, as so numbered, the following *Explanation* shall be inserted, namely:—

‘*Explanation 2.*—For the purposes of this section, the expression “central counter party” means a system provider who by way of novation interposes between system participants in the transactions admitted for settlement, thereby becoming the buyer to every seller and the seller to every buyer, for the purpose of effecting settlement of their transactions.’.

Insertion of new section 23A.

4. After section 23 of the principal Act, the following section shall be inserted, namely:—

Protection of funds collected from customers.

‘23A. (1) The Reserve Bank may, in public interest or in the interest of the customers of designated payment systems or to prevent the affairs of such designated payment system from being conducted in a manner prejudicial to the interests of its customers, require system provider of such payment system to—

(a) deposit and keep deposited in a separate account or accounts held in a scheduled commercial bank; or

(b) maintain liquid assets in such manner and form as it may specify from time to time,

of an amount equal to such percentage of the amounts collected by the system provider of designated payment system from its customers and remaining outstanding, as may be specified by the Reserve Bank from time to time:

Provided that the Reserve Bank may specify different percentages and the manner and forms for different categories of designated payment systems.

(2) The balance held in the account or accounts, referred to in sub-section (1), shall not be utilised for any purpose other than for discharging the liabilities arising on account of the usage of the payment service by the customers or for repaying to the customers or for such other purpose as may be specified by the Reserve Bank from time to time.

(3) Notwithstanding anything contained in the Banking Regulation Act, 1949 or the Companies Act, 1956 or the Companies Act, 2013 or any other law for the time being in force, the persons entitled to receive payment under sub-section (2) shall have a first and paramount charge on the balance held in that account and the liquidator or receiver or assignee (by whatever name called) of the system provider of the designated payment system or the scheduled commercial bank concerned, whether appointed as provisional or otherwise, shall not utilise the said balances for any other purposes until all such persons are paid in full or adequate provision is made therefor.

10 of 1949.
1 of 1956.
18 of 2013.

Explanation.—For the purposes of this section, the expressions—

(a) “designated payment system” shall mean a payment system or a class of payment system, as may be specified by the Reserve Bank from time to time, engaged in collection of funds from their customers for rendering payment service;

(b) “scheduled commercial bank” shall mean a “banking company”, “corresponding new bank”, “State Bank of India” and “subsidiary bank” as defined in section 5 of the Banking Regulation Act, 1949 and included in the Second Schedule to the Reserve Bank of India Act, 1934.’.

10 of 1949.
1 of 1934.

5. After section 34 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 23A.

‘34A. (1) The provisions of this Act shall apply to, or in relation to, a designated trade repository or issuer, as they apply to, or in relation to, payment systems to the extent applicable, subject to the modification that, throughout this Act, unless the context otherwise requires,—

Act to apply to designated trade repository and issuer.

(a) references to a “payment system” or “system provider” shall be construed as references to a “designated trade repository” or “issuer”, as the case may be;

(b) references to “commencement of this Act” shall be construed with reference to—

(i) a designated trade repository, as references to the date on which a trade repository is specified by the Reserve Bank as a designated trade repository; and

(ii) an issuer, as references to commencement of the Payment and Settlement Systems (Amendment) Act, 2015.

(2) The Reserve Bank may, on an application by a designated trade repository or otherwise, permit or direct the designated trade repository to provide such other services as are deemed necessary from time to time.

Explanation.—For the purposes of this section, the expression “designated trade repository” shall mean a trade repository or a class of trade repositories, as may be specified by the Reserve Bank from time to time.’.

THE REPEALING AND AMENDING (SECOND) ACT, 2015

(AS PASSED BY THE HOUSES OF PARLIAMENT)

(Act No. 19 of 2015)

(14-5-2015)

AN

ACT

to repeal certain enactments and to amend certain other enactments.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

1. This Act may be called the Repealing and Amending (Second) Act, 2015.

Short title.

2. The enactments specified in the First Schedule are hereby repealed to the extent mentioned in the fourth column thereof.

Repeal of certain enactments.

3. The enactments specified in the Second Schedule are hereby amended to the extent and the manner mentioned in the fourth column thereof.

Amendment of certain enactments.

4. The repeal by this Act of any enactment shall not affect any Act in which such enactment has been applied, incorporated or referred to;

Savings.

and this Act shall not affect the validity, invalidity, effect or consequences of anything already done or suffered, or any right, title, obligation or liability already acquired, accrued or incurred, or any remedy or proceeding in respect thereof, or any release or discharge of or from any debt, penalty, obligation, liability, claim or demand, or any indemnity already granted, or the proof of any past act or thing;

nor shall this Act affect any principle or rule of law, or established jurisdiction, form or course of pleading, practice or procedure, or existing usage, custom, privilege, restriction, exemption, office or appointment, notwithstanding that the same respectively may have been in any manner affirmed, recognised or derived by, in or from any enactment hereby repealed;

nor shall the repeal by this Act of any enactment revive or restore any jurisdiction, office, custom, liability, right, title, privilege, restriction, exemption, usage, practice, procedure or other matter or thing not now existing or in force.

THE FIRST SCHEDULE

(See section 2)

REPEALS

Year	No.	Short title	Extent of repeal
1999	1	The Export-Import Bank of India (Amendment) Act, 1998	The whole.
1999	7	The High Court and Supreme Court Judges (Salaries and Conditions of Service) Amendment Act, 1998	The whole.
1999	16	The Salary, Allowances and Pension of Members of Parliament (Amendment) Act, 1999	The whole.
2000	1	The Recovery of Debts Due to Banks and Financial Institutions (Amendment) Act, 2000	The whole.
2000	7	The Small Industries Development Bank of India (Amendment) Act, 2000	The whole.
2000	12	The Food Corporations (Amendment) Act, 2000	The whole.
2000	15	The National Housing Bank (Amendment) Act, 2000	The whole.
2000	17	The Salary, Allowances and Pension of Members of Parliament (Amendment) Act, 2000	The whole.
2000	18	The Leaders and Chief Whips of Recognised Parties and Groups in Parliament (Facilities) Amendment Act, 2000	The whole.
2000	22	The Major Port Trusts (Amendment) Act, 2000	The whole.
2000	23	The Insecticides (Amendment) Act, 2000	The whole.
2000	35	The Border Security Force (Amendment) Act, 2000	The whole.
2000	39	The State Financial Corporations (Amendment) Act, 2000	The whole.
2000	44	The Multimodal Transportation of Goods (Amendment) Act, 2000	The whole.
2000	55	The National Bank for Agriculture and Rural Development (Amendment) Act, 2000	The whole.
2001	10	The Chit Funds (Amendment) Act, 2001	The whole.
2001	23	The Warehousing Corporations (Amendment) Act, 2001	The whole.
2001	27	The Food Corporations (Amendment) Act, 2001	The whole.
2001	38	The Government of Union Territories and the Government of National Capital Territory of Delhi (Amendment) Act, 2001	The whole.

Year	No.	Short title	Extent of repeal
2001	40	The Inland Waterways Authority of India (Amendment) Act, 2001	The whole.
2001	46	The Salary, Allowances and Pension of Members of Parliament (Amendment) Act, 2001	The whole.
2001	54	The Explosive Substance (Amendment) Act, 2001	The whole.
2002	14	The Inter-State Water Disputes (Amendment) Act, 2002	The whole.
2002	29	The Salaries and Allowances of Officers of Parliament and Leaders of Opposition in Parliament (Amendment) Act, 2002	The whole.
2002	30	The Sugar Development Fund (Amendment) Act, 2002	The whole.
2002	31	The Salaries and Allowances of Officers of Parliament (Second Amendment) Act, 2002	The whole.
2002	34	The Salary, Allowances and Pension of Members of Parliament (Amendment) Act, 2002	The whole.
2002	40	The General Insurance Business (Nationalisation) Amendment Act, 2002	The whole.
2002	42	The Insurance (Amendment) Act, 2002	The whole.
2002	51	The Homoeopathy Central Council (Amendment) Act, 2002	The whole.
2002	52	The Indian Medicine Central Council (Amendment) Act, 2002	The whole.
2002	55	The Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002	The whole.
2002	56	The Salaries and Allowances of Officers of Parliament and Leaders of Opposition in Parliament (Second Amendment) Act, 2002	The whole.
2002	62	The Consumer Protection (Amendment) Act, 2002	The whole.
2003	7	The High Court Judges (Salaries and Conditions of Service) Amendment Act, 2002	The whole.
2003	8	The Supreme Court Judges (Salaries and Conditions of Service) Amendment Act, 2002	The whole.
2003	10	The Scheduled Castes and Scheduled Tribes Orders (Amendment) Act, 2002	The whole.
2003	11	The Companies (Second Amendment) Act, 2002	The whole.
2003	35	The Delhi High Court (Amendment) Act, 2003	The whole.
2003	37	The Essential Commodities (Amendment) Act, 2003	The whole.
2003	44	The Sixth Schedule to the Constitution (Amendment) Act, 2003	The whole.
2003	48	The National Bank for Agriculture and Rural Development (Amendment) Act, 2003	The whole.
2003	51	The Railways (Second Amendment) Act, 2003	The whole.

Year	No.	Short title	Extent of repeal
2003	58	The Indian Medicine Central Council (Amendment) Act, 2003	The whole.
2003	59	The Merchant Shipping (Amendment) Act, 2003	The whole.
2004	4	The Prevention of Terrorism (Amendment) Act, 2003	The whole.
2004	6	The Citizenship (Amendment) Act, 2003	The whole.
2004	9	The Salary, Allowances and Pension of Members of Parliament (Amendment) Act, 2003	The whole.
2004	16	The Foreigners (Amendment) Act, 2004	The whole.
2004	24	The Banking Regulation (Amendment) and Miscellaneous Provisions Act, 2004	The whole.
2004	30	The Enforcement of Security Interest and Recovery of Debts Laws (Amendment) Act, 2004	The whole.
2005	19	The Government of Union Territories and the Government of National Capital Territory of Delhi (Amendment) Act, 2005	The whole.
2005	32	The Citizenship (Amendment) Act, 2005	The whole.
2005	40	The Sree Chitra Tirunal Institute for Medical Sciences and Technology, Trivandrum (Amendment) Act, 2005	The whole.
2005	45	The Warehousing Corporations (Amendment) Act, 2005	The whole.
2005	46	The High Court and Supreme Court Judges (Salaries and Conditions of Service) Amendment Act, 2005	The whole.
2006	2	The Criminal Law (Amendment) Act, 2005	The whole.
2006	5	The Government of Union Territories and the Government of National Capital Territory of Delhi (Amendment) Act, 2006	The whole.
2006	6	The Contempt of Courts (Amendment) Act, 2006	The whole.
2006	26	The Reserve Bank of India (Amendment) Act, 2006	The whole.
2006	40	The Salary, Allowances and Pension of Members of Parliament (Amendment) Act, 2006	The whole.
2006	45	The Banking Companies (Acquisition and Transfer of Undertakings and Financial Institutions Laws (Amendment) Act, 2006	The whole.
2006	54	The Essential Commodities (Amendment) Act, 2006	Sections 2 to 5.
2007	17	The Banking Regulation (Amendment) Act, 2007	The whole.
2007	18	The National Tax Tribunal (Amendment) Act, 2007	The whole.
2007	30	The State Bank of India (Subsidiary Banks Laws) Amendment Act, 2007	The whole.
2007	32	The State Bank of India (Amendment) Act, 2007	The whole.
2007	35	The Inland Vessels (Amendment) Act, 2007	The whole.
2007	40	The Merchant Shipping (Amendment) Act, 2007	The whole.

Year	No.	Short title	Extent of repeal
2008	4	The Sugar Development Fund (Amendment) Act, 2008	The whole.
2008	30	The Salaries and Allowances of Officers of Parliament (Amendment) Act, 2008	The whole.
2009	5	The Code of Criminal Procedure (Amendment) Act, 2008	The whole.
2009	11	The Supreme Court (Number of Judges) Amendment Act, 2008	The whole.
2009	20	The Agricultural and Processed Food Products Export Development Authority (Amendment) Act, 2009	The whole.
2009	23	The High Court and Supreme Court Judges (Salaries and Conditions of Service) Amendment Act, 2009	The whole.
2009	48	The State Bank of Saurashtra (Repeal) and the State Bank of India (Subsidiary Banks) Amendment Act, 2009	Sections 3 to 11.
2010	27	The State Bank of India (Amendment) Act, 2010	The whole.
2010	37	The Salary, Allowances and Pension of Members of Parliament (Amendment) Act, 2010	The whole.
2010	41	The Code of Criminal Procedure (Amendment) Act, 2010	The whole.
2010	43	The Indian Medicine Central Council (Amendment) Act, 2010	The whole.
2011	7	The State Bank of India (Subsidiary Banks) Amendment Act, 2011	The whole.
2011	17	The State Bank of India (Subsidiary Banks Laws) Amendment Act, 2011	The whole.
2012	5	The New Delhi Municipal Council (Amendment) Act, 2011	The whole.
2012	8	The Life Insurance Corporation (Amendment) Act, 2011	The whole.
2012	11	The Export-Import Bank of India (Amendment) Act, 2011	The whole.
2012	26	The North-Eastern Areas (Reorganisation) and Other Related Laws (Amendment) Act, 2012	The whole.
2012	36	The Chemical Weapons Convention (Amendment) Act, 2012	The whole.
2013	1	The Enforcement of Security Interest and Recovery of Debts Laws (Amendment) Act, 2012	The whole.
2013	4	The Banking Laws (Amendment) Act, 2012	The whole.
2013	27	The Wakf (Amendment) Act, 2013	The whole.

THE SECOND SCHEDULE

(See section 3)

AMENDMENTS

Year	No.	Short title	Amendments
2008	11	The Railways (Amendment) Act, 2008	In section 2,— (i) the words and figure “section 2 of” shall be omitted; (ii) after the brackets and words “(hereinafter referred to as the principal Act)”, insert the words and figure “in section 2”.
2008	22	The Indian Maritime University Act, 2008	In section 2, for the words “in all Statutes made hereunder”, substitute the words “in the Statutes made thereunder”.

THE FINANCE ACT, 2015

(AS PASSED BY THE HOUSES OF PARLIAMENT)

(Act No. 20 of 2015)

(14-5-2015)

AN

ACT

to give effect to the financial proposals of the Central Government for the financial year 2015-2016.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title and
commencement.

1. (1) This Act may be called the Finance Act, 2015.
- (2) Save as otherwise provided in this Act, sections 2 to 81 shall be deemed to have come into force on the 1st day of April, 2015.

CHAPTER II

RATES OF INCOME-TAX

Income-tax.

2. (1) Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 1st day of April, 2015, income-tax shall be charged at the rates specified in Part I of the First Schedule and such tax shall be increased by a surcharge, for purposes of the Union, calculated in each case in the manner provided therein.

(2) In the cases to which Paragraph A of Part I of the First Schedule applies, where the assessee has, in the previous year, any net agricultural income exceeding five thousand rupees, in addition to total income, and the total income exceeds two lakh fifty thousand rupees, then,—

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) [that is to say, as if the net agricultural income were comprised in the total income after the first two lakh fifty thousand rupees of the total income but without being liable to tax], only for the purpose of charging income-tax in respect of the total income; and

(b) the income-tax chargeable shall be calculated as follows:—

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax shall be determined in respect of the aggregate income at the rates specified in the said Paragraph A, as if such aggregate income were the total income;

(ii) the net agricultural income shall be increased by a sum of two lakh fifty thousand rupees, and the amount of income-tax shall be determined in respect of the net agricultural income as so increased at the rates specified in the said Paragraph A, as if the net agricultural income as so increased were the total income;

(iii) the amount of income-tax determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax determined in accordance with sub-clause (ii) and the sum so arrived at shall be the income-tax in respect of the total income:

Provided that in the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year, referred to in item (II) of Paragraph A of Part I of the First Schedule, the provisions of this sub-section shall have effect as if for the words “two lakh fifty thousand rupees”, the words “three lakh rupees” had been substituted:

Provided further that in the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year, referred to in item (III) of Paragraph A of Part I of the First Schedule, the provisions of this sub-section shall have effect as if for the words “two lakh fifty thousand rupees”, the words “five lakh rupees” had been substituted.

43 of 1961. (3) In cases to which the provisions of Chapter XII or Chapter XII-A or section 115JB or section 115JC or Chapter XII-FA or sub-section (IA) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) apply, the tax chargeable shall be determined as provided in that Chapter or that section, and with reference to the rates imposed by sub-section (I) or the rates as specified in that Chapter or section, as the case may be:

Provided that the amount of income-tax computed in accordance with the provisions of section 111A or section 112 of the Income-tax Act shall be increased by a surcharge, for purposes of the Union, as provided in Paragraph A, B, C, D or E, as the case may be, of Part I of the First Schedule:

Provided further that in respect of any income chargeable to tax under section 115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BB, 115BBA, 115BBC, 115BBD, 115BBE, 115E, 115JB or 115JC of the Income-tax Act, the amount of income-tax computed under this sub-section shall be increased by a surcharge, for purposes of the Union, calculated,—

(a) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, or co-operative society or firm or local authority, at the rate of ten per cent. of such income-tax, where the total income exceeds one crore rupees;

(b) in the case of every domestic company,—

(i) at the rate of five per cent. of such income-tax, where the total income exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of ten per cent. of such income-tax, where the total income exceeds ten crore rupees;

(c) in the case of every company, other than a domestic company,—

(i) at the rate of two per cent. of such income-tax, where the total income exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of five per cent. of such income-tax, where the total income exceeds ten crore rupees:

Provided also that in the case of persons mentioned in (a), having total income chargeable to tax under section 115JC of the Income-tax Act and such income exceeds one crore rupees, the total amount payable as income-tax on such income and surcharge thereon shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds one crore rupees but does not exceed ten crore rupees, the total amount payable as income-tax on such income and surcharge thereon, shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds ten crore rupees, the total amount payable as income-tax on such income and surcharge thereon, shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

(4) In cases in which tax has to be charged and paid under section 115-O or section 115QA or sub-section (2) of section 115R or section 115TA of the Income-tax Act, the tax shall be charged and paid at the rates as specified in those sections and shall be increased by a surcharge, for purposes of the Union, calculated at the rate of twelve per cent. of such tax.

(5) In cases in which tax has to be deducted under sections 193, 194, 194A, 194B, 194BB, 194D, 194LBA and 195 of the Income-tax Act, at the rates in force, the deductions shall be made at the rates specified in Part II of the First Schedule and shall be increased by a surcharge, for purposes of the Union, calculated in cases wherever prescribed, in the manner provided therein.

(6) In cases in which tax has to be deducted under sections 192A, 194C, 194DA, 194E, 194EE, 194F, 194G, 194H, 194-I, 194-IA, 194J, 194LA, 194LB, 194LBA, 194LBB, 194LC, 194LD, 196B, 196C and 196D of the Income-tax Act, the deductions shall be made at the rates specified in those sections and shall be increased by a surcharge, for purposes of the Union,—

(a) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, or co-operative society or firm, being a non-resident, calculated at the rate of twelve per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees;

(b) in the case of every company, other than a domestic company, calculated,—

(i) at the rate of two per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of five per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ten crore rupees.

(7) In cases in which tax has to be collected under the proviso to section 194B of the Income-tax Act, the collection shall be made at the rates specified in Part II of the First Schedule, and shall be increased by a surcharge, for purposes of the Union, calculated, in cases wherever prescribed, in the manner provided therein.

(8) In cases in which tax has to be collected under section 206C of the Income-tax Act, the collection shall be made at the rates specified in that section and shall be increased by a surcharge, for purposes of the Union,—

(a) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, or co-operative society or firm, being a non-resident, calculated at the rate of twelve per cent. of such tax, where the amount or the aggregate of such amounts collected and subject to the collection exceeds one crore rupees;

(b) in the case of every company, other than a domestic company, calculated—

(i) at the rate of two per cent. of such tax, where the amount or the aggregate of such amounts collected and subject to the collection exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of five per cent. of such tax, where the amount or the aggregate of such amounts collected and subject to the collection exceeds ten crore rupees.

(9) Subject to the provisions of sub-section (10), in cases in which income-tax has to be charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the Income-tax Act or deducted from, or paid on, income chargeable under the head "Salaries" under section 192 of the said Act or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, "advance tax" shall be so charged, deducted or computed at the rate or rates specified in Part III of the First Schedule and such tax shall be increased by a surcharge, for purposes of the Union, calculated in such cases and in such manner as provided therein:

Provided that in cases to which the provisions of Chapter XII or Chapter XII-A or section 115JB or section 115JC or Chapter XII-FA or Chapter XII-FB or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act apply, "advance tax" shall be computed with reference to the rates imposed by this sub-section or the rates as specified in that Chapter or section, as the case may be:

Provided further that the amount of "advance tax" computed in accordance with the provisions of section 111A or section 112 of the Income-tax Act shall be increased by a surcharge, for purposes of the Union, as provided in Paragraph A, B, C, D or E, as the case may be, of Part III of the First Schedule:

Provided also that in respect of any income chargeable to tax under sections 115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BB, 115BBA, 115BBC, 115BBD, 115BBE, 115E, 115JB and 115JC of the Income-tax Act, "advance tax" computed under the first proviso shall be increased by a surcharge, for purposes of the Union, calculated,—

(a) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, or co-operative society or firm or local authority, calculated at the rate of twelve per cent. of such "advance tax", where the total income exceeds one crore rupees;

(b) in the case of every domestic company, calculated,—

(i) at the rate of seven per cent. of such "advance tax", where the total income exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of twelve per cent. of such "advance tax", where the total income exceeds ten crore rupees;

(c) in the case of every company, other than a domestic company, calculated,—

(i) at the rate of two per cent. of such "advance tax", where the total income exceeds one crore rupees but does not exceed ten crore rupees;

(ii) at the rate of five per cent. of such "advance tax", where the total income exceeds ten crore rupees:

Provided also that in the case of persons mentioned in (a) above, having total income chargeable to tax under section 115JC of the Income-tax Act and such income exceeds one crore rupees, the total amount payable as "advance tax" on such income and surcharge thereon shall not exceed the total amount payable as "advance tax" on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds one crore rupees but does not exceed ten crore rupees, the total amount payable as "advance tax" on such income and surcharge thereon, shall not exceed the total amount payable as "advance tax" on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds ten crore rupees, the total amount payable as "advance tax" on such income and surcharge thereon, shall not exceed the total amount payable as "advance tax" and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

(10) In cases to which Paragraph A of Part III of the First Schedule applies, where the assessee has, in the previous year or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any net agricultural income exceeding five thousand rupees, in addition to total income and the total income exceeds two lakh fifty thousand rupees, then, in charging income-tax under sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the said Act or in computing the "advance tax" payable under Chapter XVII-C of the said Act, at the rate or rates in force,—

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) [that is to say, as if the net agricultural income were comprised in the total income after the first two lakh fifty thousand rupees of the total income but without being liable to tax], only for the purpose of charging or computing such income-tax or, as the case may be, "advance tax" in respect of the total income; and

(b) such income-tax or, as the case may be, "advance tax" shall be so charged or computed as follows:—

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax or "advance tax" shall be determined in respect of the aggregate income at the rates specified in the said Paragraph A, as if such aggregate income were the total income;

(ii) the net agricultural income shall be increased by a sum of two lakh fifty thousand rupees, and the amount of income-tax or "advance tax" shall be determined in respect of the net agricultural income as so increased at the rates specified in the said Paragraph A, as if the net agricultural income were the total income;

(iii) the amount of income-tax or "advance tax" determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax or, as the case may be, "advance tax" determined in accordance with sub-clause (ii) and the sum so arrived at shall be the income-tax or, as the case may be, "advance tax" in respect of the total income:

Provided that in the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year, referred to in item (II) of Paragraph A of Part III of the First Schedule, the provisions of this sub-section shall have effect as if for the words "two lakh fifty thousand rupees", the words "three lakh rupees" had been substituted:

Provided further that in the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year, referred to in item (III) of Paragraph A of Part III of the First Schedule, the provisions of this sub-section shall have effect as if for the words "two lakh fifty thousand rupees", the words "five lakh rupees" had been substituted:

Provided also that the amount of income-tax or "advance tax" so arrived at, shall be increased by a surcharge for purposes of the Union calculated in each case, in the manner provided therein.

(11) The amount of income-tax as specified in sub-sections (1) to (10) and as increased by the applicable surcharge, for purposes of the Union, calculated in the manner provided therein, shall be further increased by an additional surcharge, for purposes of the Union, to be called the "Education Cess on income-tax", calculated at the rate of two per cent. of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance universalised quality basic education:

Provided that nothing contained in this sub-section shall apply to cases in which tax is to be deducted or collected under the sections of the Income-tax Act mentioned in sub-sections (5), (6), (7) and (8), if the income subjected to deduction of tax at source or collection of tax at source is paid to a domestic company and any other person who is resident in India.

(12) The amount of income-tax as specified in sub-sections (1) to (10) and as increased by the applicable surcharge, for purposes of the Union, calculated in the manner provided therein, shall also be increased by an additional surcharge, for purposes of the Union, to be called the "Secondary and Higher Education Cess on income-tax", calculated at the rate of one per cent. of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance secondary and higher education:

Provided that nothing contained in this sub-section shall apply to cases in which tax is to be deducted or collected under the sections of the Income-tax Act mentioned in sub-sections (5), (6), (7) and (8), if the income subjected to deduction of tax at source or collection of tax at source is paid to a domestic company and any other person who is resident in India.

(13) For the purposes of this section and the First Schedule,—

(a) “domestic company” means an Indian company or any other company which, in respect of its income liable to income-tax under the Income-tax Act, for the assessment year commencing on the 1st day of April, 2015, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income;

(b) “insurance commission” means any remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business (including business relating to the continuance, renewal or revival of policies of insurance);

(c) “net agricultural income”, in relation to a person, means the total amount of agricultural income, from whatever source derived, of that person computed in accordance with the rules contained in Part IV of the First Schedule;

(d) all other words and expressions used in this section and the First Schedule but not defined in this sub-section and defined in the Income-tax Act shall have the meanings, respectively, assigned to them in that Act.

CHAPTER III

DIRECT TAXES

Income-tax

Amendment of
section 2.

3. In section 2 of the Income-tax Act, with effect from the 1st day of April, 2016,—

(a) for clause (13A), the following clause shall be substituted, namely:—

“(13A) “business trust” means a trust registered as,—

(i) an Infrastructure Investment Trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 made under the Securities and Exchange Board of India Act, 1992; or

15 of 1992.

(ii) a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 made under the Securities and Exchange Board of India Act, 1992, and

15 of 1992.

the units of which are required to be listed on recognised stock exchange in accordance with the aforesaid regulations;’;

(b) in clause (15),—

(i) after the word “education,”, the word “yoga,” shall be inserted;

(ii) for the first and the second provisos, the following proviso shall be substituted, namely:—

“Provided that the advancement of any other object of general public utility shall not be a charitable purpose, if it involves the carrying on of any activity in the nature of trade, commerce or business, or any activity of rendering any service in relation to any trade, commerce or business, for a cess or fee or any other consideration, irrespective of the nature of use or application, or retention, of the income from such activity, unless—

(i) such activity is undertaken in the course of actual carrying out of such advancement of any other object of general public utility; and

(ii) the aggregate receipts from such activity or activities during the previous year, do not exceed twenty per cent. of the total receipts, of the trust or institution undertaking such activity or activities, of that previous year;”;

(c) in clause (24), after sub-clause (xvii), the following sub-clause shall be inserted, namely:—

“(xviii) assistance in the form of a subsidy or grant or cash incentive or duty drawback or waiver or concession or reimbursement (by whatever name called) by the Central Government or a State Government or any authority or body or agency in cash or kind to the assessee other than the subsidy or grant or reimbursement which is taken into account for determination of the actual cost of the asset in accordance with the provisions of *Explanation 10* to clause (1) of section 43;”;

(d) in clause (37A), in sub-clause (iii), after the words “for the purposes of deduction of tax under”, the words, figures and letters “section 194LBA or” shall be inserted;

(e) in clause (42A), in the *Explanation 1*, in clause (i), after sub-clause (hc), the following sub-clauses shall be inserted, namely:—

“(hd) in the case of a capital asset, being a unit or units, which becomes the property of the assessee in consideration of a transfer referred to in clause (xviii) of section 47, there shall be included the period for which the unit or units in the consolidating scheme of the mutual fund were held by the assessee;

(he) in the case of a capital asset, being share or shares of a company, which is acquired by the non-resident assessee on redemption of Global Depository Receipts referred to in clause (b) of sub-section (1) of section 115AC held by such assessee, the period shall be reckoned from the date on which a request for such redemption was made;”.

4. In section 6 of the Income-tax Act,—

Amendment of section 6.

(i) in clause (1), the *Explanation* shall be numbered as *Explanation 1* thereof and after *Explanation 1* as so numbered, the following *Explanation* shall be inserted, namely:—

“*Explanation 2.*—For the purposes of this clause, in the case of an individual, being a citizen of India and a member of the crew of a foreign bound ship leaving India, the period or periods of stay in India shall, in respect of such voyage, be determined in the manner and subject to such conditions as may be prescribed.”;

(ii) for clause (3), the following clause shall be substituted with effect from the 1st day of April, 2016, namely:—

‘(3) A company is said to be resident in India in any previous year, if—

(i) it is an Indian company; or

(ii) its place of effective management, in that year, is in India.

Explanation.—For the purposes of this clause “place of effective management” means a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole, are in substance made.’.

Amendment of
section 9.

5. In section 9 of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 2016,—

(A) in clause (i), after *Explanation 5*, the following *Explanations* shall be inserted, namely:—

'*Explanation 6*.—For the purposes of this clause, it is hereby declared that—

(a) the share or interest, referred to in *Explanation 5*, shall be deemed to derive its value substantially from the assets (whether tangible or intangible) located in India, if, on the specified date, the value of such assets—

(i) exceeds the amount of ten crore rupees; and

(ii) represents at least fifty per cent. of the value of all the assets owned by the company or entity, as the case may be;

(b) the value of an asset shall be the fair market value as on the specified date, of such asset without reduction of liabilities, if any, in respect of the asset, determined in such manner as may be prescribed;

(c) "accounting period" means each period of twelve months ending with the 31st day of March:

Provided that where a company or an entity, referred to in *Explanation 5*, regularly adopts a period of twelve months ending on a day other than the 31st day of March for the purpose of—

(i) complying with the provisions of the tax laws of the territory, of which it is a resident, for tax purposes; or

(ii) reporting to persons holding the share or interest,

then, the period of twelve months ending with the other day shall be the accounting period of the company or, as the case may be, the entity:

Provided further that the first accounting period of the company or, as the case may be, the entity shall begin from the date of its registration or incorporation and end with the 31st day of March or such other day, as the case may be, following the date of such registration or incorporation, and the later accounting period shall be the successive periods of twelve months:

Provided also that if the company or the entity ceases to exist before the end of accounting period, as aforesaid, then, the accounting period shall end immediately before the company or, as the case may be, the entity, ceases to exist;

(d) "specified date" means the—

(i) date on which the accounting period of the company or, as the case may be, the entity ends preceding the date of transfer of a share or an interest; or

(ii) date of transfer, if the book value of the assets of the company or, as the case may be, the entity on the date of transfer exceeds the book value of the assets as on the date referred to in sub-clause (i), by fifteen per cent.

Explanation 7.— For the purposes of this clause,—

(a) no income shall be deemed to accrue or arise to a non-resident from transfer, outside India, of any share of, or interest in, a company or an entity, registered or incorporated outside India, referred to in the *Explanation 5*,—

(i) if such company or entity directly owns the assets situated in India and the transferor (whether individually or along with its associated enterprises), at any time in the twelve months preceding the date of transfer, neither holds the right of management or control in relation to such company or entity, nor holds voting power or share capital or interest exceeding five per cent. of the total voting power or total share capital or total interest, as the case may be, of such company or entity; or

(ii) if such company or entity indirectly owns the assets situated in India and the transferor (whether individually or along with its associated enterprises), at any time in the twelve months preceding the date of transfer, neither holds the right of management or control in relation to such company or entity, nor holds any right in, or in relation to, such company or entity which would entitle him to the right of management or control in the company or entity that directly owns the assets situated in India, nor holds such percentage of voting power or share capital or interest in such company or entity which results in holding of (either individually or along with associated enterprises) a voting power or share capital or interest exceeding five per cent. of the total voting power or total share capital or total interest, as the case may be, of the company or entity that directly owns the assets situated in India;

(b) in a case where all the assets owned, directly or indirectly, by a company or, as the case may be, an entity referred to in the *Explanation 5*, are not located in India, the income of the non-resident transferor, from such part of the income as is reasonably attributable to assets located in India and determined in such manner as may be prescribed;

(c) “associated enterprise” shall have the meaning assigned to it in section 92A; ;

(B) in clause (v), after sub-clause (c), the following *Explanation* shall be inserted, namely:—

Explanation.—For the purposes of this clause,—

(a) it is hereby declared that in the case of a non-resident, being a person engaged in the business of banking, any interest payable by the permanent establishment in India of such non-resident to the head office or any permanent establishment or any other part of such non-resident outside India shall be deemed to accrue or arise in India and shall be chargeable to tax in addition to any income attributable to the permanent establishment in India and the permanent establishment in India shall be deemed to be a person separate and independent of the

India shall be deemed to be a person separate and independent of the non-resident person of which it is a permanent establishment and the provisions of the Act relating to computation of total income, determination of tax and collection and recovery shall apply accordingly;

(b) "permanent establishment" shall have the meaning assigned to it in clause (iiia) of section 92F;'

Insertion of
new section
9A.

Certain
activities not
to constitute
business
connection in
India.

6. After section 9 of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2016, namely:—

'9A. (1) Notwithstanding anything contained in sub-section (1) of section 9 and subject to the provisions of this section, in the case of an eligible investment fund, the fund management activity carried out through an eligible fund manager acting on behalf of such fund shall not constitute business connection in India of the said fund.

(2) Notwithstanding anything contained in section 6, an eligible investment fund shall not be said to be resident in India for the purpose of that section merely because the eligible fund manager, undertaking fund management activities on its behalf, is situated in India.

(3) The eligible investment fund referred to in sub-section (1), means a fund established or incorporated or registered outside India, which collects funds from its members for investing it for their benefit and fulfils the following conditions, namely:—

(a) the fund is not a person resident in India;

(b) the fund is a resident of a country or a specified territory with which an agreement referred to in sub-section (1) of section 90 or sub-section (1) of section 90A has been entered into;

(c) the aggregate participation or investment in the fund, directly or indirectly, by persons resident in India does not exceed five per cent. of the corpus of the fund;

(d) the fund and its activities are subject to applicable investor protection regulations in the country or specified territory where it is established or incorporated or is a resident;

(e) the fund has a minimum of twenty-five members who are, directly or indirectly, not connected persons;

(f) any member of the fund along with connected persons shall not have any participation interest, directly or indirectly, in the fund exceeding ten per cent.;

(g) the aggregate participation interest, directly or indirectly, of ten or less members along with their connected persons in the fund, shall be less than fifty per cent.;

(h) the fund shall not invest more than twenty per cent. of its corpus in any entity;

(i) the fund shall not make any investment in its associate entity;

(j) the monthly average of the corpus of the fund shall not be less than one hundred crore rupees;

Provided that if the fund has been established or incorporated in the previous year, the corpus of fund shall not be less than one hundred crore rupees at the end of such previous year;

(k) the fund shall not carry on or control and manage, directly or indirectly, any business in India or from India;

(l) the fund is neither engaged in any activity which constitutes a business connection in India nor has any person acting on its behalf whose activities constitute a business connection in India other than the activities undertaken by the eligible fund manager on its behalf;

(m) the remuneration paid by the fund to an eligible fund manager in respect of fund management activity undertaken by him on its behalf is not less than the arm's length price of the said activity:

Provided that the conditions specified in clauses (e), (f) and (g) shall not apply in case of an investment fund set up by the Government or the Central Bank of a foreign State or a sovereign fund, or such other fund as the Central Government may subject to conditions, if any, by notification in the Official Gazette, specify in this behalf.

(4) The eligible fund manager, in respect of an eligible investment fund, means any person who is engaged in the activity of fund management and fulfils the following conditions, namely:—

(a) the person is not an employee of the eligible investment fund or a connected person of the fund;

(b) the person is registered as a fund manager or an investment advisor in accordance with the specified regulations;

(c) the person is acting in the ordinary course of his business as a fund manager;

(d) the person along with his connected persons shall not be entitled, directly or indirectly, to more than twenty per cent. of the profits accruing or arising to the eligible investment fund from the transactions carried out by the fund through the fund manager.

(5) Every eligible investment fund shall, in respect of its activities in a financial year, furnish within ninety days from the end of the financial year, a statement in the prescribed form, to the prescribed income-tax authority containing information relating to the fulfilment of the conditions specified in this section and also provide such other relevant information or documents as may be prescribed.

(6) Nothing contained in this section shall apply to exclude any income from the total income of the eligible investment fund, which would have been so included irrespective of whether the activity of the eligible fund manager constituted the business connection in India of such fund or not.

(7) Nothing contained in this section shall have any effect on the scope of total income or determination of total income in the case of the eligible fund manager.

(8) The provisions of this section shall be applied in accordance with such guidelines and in such manner as the Board may prescribe in this behalf.

(9) For the purposes of this section,—

(a) “associate” means an entity in which a director or a trustee or a partner or a member or a fund manager of the investment fund or a director or a trustee or a partner or a member of the fund manager of such fund, holds, either individually or collectively, share or interest, being more than fifteen per cent. of its share capital or interest, as the case may be;

(b) "connected person" shall have the meaning assigned to it in clause (4) of section 102;

(c) "corpus" means the total amount of funds raised for the purpose of investment by the eligible investment fund as on a particular date;

(d) "entity" means any entity in which an eligible investment fund makes an investment;

(e) "specified regulations" means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 or the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, or such other regulations made under the Securities and Exchange Board of India Act, 1992, which may be notified by the Central Government under this clause.' 15 of 1992.

Amendment of
section 10.

7. In section 10 of the Income-tax Act,—

(I) after clause (II), the following clause shall be inserted, namely:—

"(IIA) any payment from an account, opened in accordance with the Sukanya Samriddhi Account Rules, 2014 made under the Government Savings Bank Act, 1873;" 5 of 1873.

(II) in clause (23C), after sub-clause (iiia), the following sub-clauses shall be inserted, namely:—

"(iiiaa) the Swachh Bharat Kosh, set up by the Central Government; or

(iiiaaa) the Clean Ganga Fund, set up by the Central Government; or";

(III) with effect from the 1st day of April, 2016—

(a) after clause (23ED), the following clause shall be inserted, namely:—

'(23EE) any specified income of such Core Settlement Guarantee Fund, set up by a recognised clearing corporation in accordance with the regulations, as the Central Government may, by notification in the Official Gazette, specify in this behalf:

Provided that where any amount standing to the credit of the Fund and not charged to income-tax during any previous year is shared, either wholly or in part with the specified person, the whole of the amount so shared shall be deemed to be the income of the previous year in which such amount is so shared and shall, accordingly, be chargeable to income-tax.

Explanation.—For the purposes of this clause,—

(i) "recognised clearing corporation" shall have the same meaning as assigned to it in clause (o) of sub-regulation (1) of regulation 2 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 made under the Securities and Exchange Board of India Act, 1992 and the Securities Contracts (Regulation) Act, 1956; 15 of 1992.
42 of 1956.

(ii) "regulations" means the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 made under the Securities and Exchange Board of India Act, 1992 and the Securities Contracts (Regulation) Act, 1956; 15 of 1992.
42 of 1956.

(iii) "specified income" shall mean,—

(a) the income by way of contribution received from specified persons;

(b) the income by way of penalties imposed by the recognised clearing corporation and credited to the Core Settlement Guarantee Fund; or

(c) the income from investment made by the Fund;

(iv) "specified person" shall mean,—

(a) any recognised clearing corporation which establishes and maintains the Core Settlement Guarantee Fund; and

(b) any recognised stock exchange, being a shareholder in such recognised clearing corporation, or a contributor to the Core Settlement Guarantee Fund; and

(c) any clearing member contributing to the Core Settlement Guarantee Fund;";

(b) in clause (23FB), before the *Explanation*, the following proviso shall be inserted, namely:—

"Provided that nothing contained in this clause shall apply in respect of any income of a venture capital company or venture capital fund, being an investment fund specified in clause (a) of the *Explanation* 1 to section 115UB, of the previous year relevant to the assessment year beginning on or after the 1st day of April, 2016;";

(c) after clause (23FB), the following clauses shall be inserted, namely:—

'(23FBA) any income of an investment fund other than the income chargeable under the head "Profits and gains of business or profession";

(23FBB) any income referred to in section 115UB, accruing or arising to, or received by, a unit holder of an investment fund, being that proportion of income which is of the same nature as income chargeable under the head "Profits and gains of business or profession".

Explanation.—For the purposes of clauses (23FBA) and (23FBB), the expression "investment fund" shall have the meaning assigned to it in clause (a) of the *Explanation* 1 to section 115UB;";

(d) after clause (23FC), the following clause shall be inserted, namely:—

'(23FCA) any income of a business trust, being a real estate investment trust, by way of renting or leasing or letting out any real estate asset owned directly by such business trust.

Explanation.—For the purposes of this clause, the expression "real estate asset" shall have the same meaning as assigned to it in clause (zj) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 made under the Securities and Exchange Board of India Act, 1992;";

(e) in clause (23FD), after the word, brackets, figures and letters "clause (23FC)", the words, brackets, figures and letters "or clause (23FCA)" shall be inserted;

(f) in clause (38), the second proviso shall be omitted.

8. In section 11 of the Income-tax Act, with effect from the 1st day of April, 2016,—

(I) in sub-section (1), in *Explanation*, in clause (2), after sub-clause (b), in the long line, for the brackets, words and figures "(such option to be exercised in writing before the expiry of the time allowed under sub-section (1) of section 139 for furnishing the return of income)", the brackets, words and figures "(such option to be exercised before the expiry of the time allowed under sub-section (1) of section 139 for furnishing the return of income, in such form and manner as may be prescribed)" shall be substituted;

(II) in sub-section (2), for clauses (a) and (b) and the first and second provisos, the following shall be substituted, namely:—

"(a) such person furnishes a statement in the prescribed form and in the prescribed manner to the Assessing Officer, stating the purpose for which the

Amendment
of section 11.

income is being accumulated or set apart and the period for which the income is to be accumulated or set apart, which shall in no case exceed five years;

(b) the money so accumulated or set apart is invested or deposited in the forms or modes specified in sub-section (5);

(c) the statement referred to in clause (a) is furnished on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for the previous year:

Provided that in computing the period of five years referred to in clause (a), the period during which the income could not be applied for the purpose for which it is so accumulated or set apart, due to an order or injunction of any court, shall be excluded.”.

Amendment
of section 13.

9. In section 13 of the Income-tax Act, after sub-section (8) and before *Explanation 1*, the following sub-section shall be inserted with effect from the 1st day of April, 2016, namely:—

“(9) Nothing contained in sub-section (2) of section 11 shall operate so as to exclude any income from the total income of the previous year of a person in receipt thereof, if—

(i) the statement referred to in clause (a) of the said sub-section in respect of such income is not furnished on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for the previous year; or

(ii) the return of income for the previous year is not furnished by such person on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for the said previous year.”.

Amendment
of section 32.

10. In section 32 of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 2016,—

(a) in clause (ii),—

(A) in the second proviso, after the words, brackets, figures and letter “asset referred to in clause (i) or clause (ii) or clause (iia)”, the words, brackets, figures and letter “or the first proviso to clause (iia)” shall be inserted;

(B) after the second proviso, the following proviso shall be inserted, namely:—

“Provided also that where an asset referred to in clause (iia) or the first proviso to clause (iia), as the case may be, is acquired by the assessee during the previous year and is put to use for the purposes of business for a period of less than one hundred and eighty days in that previous year, and the deduction under this sub-section in respect of such asset is restricted to fifty per cent. of the amount calculated at the percentage prescribed for an asset under clause (iia) for that previous year, then, the deduction for the balance fifty per cent. of the amount calculated at the percentage prescribed for such asset under clause (iia) shall be allowed under this sub-section in the immediately succeeding previous year in respect of such asset;”;

(b) in clause (iia),—

(A) in the proviso, for the word “Provided”, the words “Provided further” shall be substituted;

(B) before the proviso, the following proviso shall be inserted, namely:—

“Provided that where an assessee, sets up an undertaking or enterprise for manufacture or production of any article or thing, on or after the 1st day of April, 2015 in any backward area notified by the

Central Government in this behalf, in the State of Andhra Pradesh or in the State of Bihar or in the State of Telangana or in the State of West Bengal, and acquires and installs any new machinery or plant (other than ships and aircraft) for the purposes of the said undertaking or enterprise during the period beginning on the 1st day of April, 2015 and ending before the 1st day of April, 2020 in the said backward area, then, the provisions of clause (iia) shall have effect, as if for the words "twenty per cent.", the words "thirty-five per cent." had been substituted."

11. After section 32AC of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2016, namely:—

Insertion of new section 32AD.

'32AD. (1) Where an assessee, sets up an undertaking or enterprise for manufacture or production of any article or thing, on or after the 1st day of April, 2015 in any backward area notified by the Central Government in this behalf, in the State of Andhra Pradesh or in the State of Bihar or in the State of Telangana or in the State of West Bengal, and acquires and installs any new asset for the purposes of the said undertaking or enterprise during the period beginning on the 1st day of April, 2015 and ending before the 1st day of April, 2020 in the said backward area, then, there shall be allowed a deduction of a sum equal to fifteen per cent. of the actual cost of such new asset for the assessment year relevant to the previous year in which such new asset is installed.

Investment in new plant or machinery in notified backward areas in certain States.

(2) If any new asset acquired and installed by the assessee is sold or otherwise transferred, except in connection with the amalgamation or demerger or reorganisation of business referred to in clause (xiii) or clause (xiiib) or clause (xiv) of section 47, within a period of five years from the date of its installation, the amount of deduction allowed under sub-section (1) in respect of such new asset shall be deemed to be the income of the assessee chargeable under the head "Profits and gains of business or profession" of the previous year in which such new asset is sold or otherwise transferred, in addition to taxability of gains, arising on account of transfer of such new asset.

(3) Where the new asset is sold or otherwise transferred in connection with the amalgamation or demerger or reorganisation of business referred to in clause (xiii) or clause (xiiib) or clause (xiv) of section 47 within a period of five years from the date of its installation, the provisions of sub-section (2) shall apply to the amalgamated company or the resulting company or the successor referred to in clause (xiii) or clause (xiiib) or clause (xiv) of section 47, as the case may be, as they would have applied to the amalgamating company or the demerged company or the predecessor referred to in clause (xiii) or clause (xiiib) or clause (xiv) of section 47.

(4) For the purposes of this section, "new asset" means any new plant or machinery (other than a ship or aircraft) but does not include—

(a) any plant or machinery, which before its installation by the assessee, was used either within or outside India by any other person;

(b) any plant or machinery installed in any office premises or any residential accommodation, including accommodation in the nature of a guest house;

(c) any office appliances including computers or computer software;

(d) any vehicle; or

(e) any plant or machinery, the whole of the actual cost of which is allowed as deduction (whether by way of depreciation or otherwise) in computing the income chargeable under the head "Profits and gains of business or profession" of any previous year."

12. In section 35 of the Income-tax Act, with effect from the 1st day of April, 2016,—

Amendment of section 35.

(i) in sub-section (2AA), in the proviso, after the words "submit its report to the", the words "Principal Chief Commissioner or Chief Commissioner or" shall be inserted;

(ii) in sub-section (2AB),—

(a) in clause (3), for the words “for audit of accounts maintained for that facility”, the words “fulfils such conditions with regard to maintenance of accounts and audit thereof and furnishing of reports in such manner as may be prescribed” shall be substituted;

(b) in clause (4), after the words “approval of the said facility to the”, the words “Principal Chief Commissioner or Chief Commissioner or” shall be inserted.

Amendment of
section 36.

13. In section 36 of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 2016,—

(a) in clause (iii), in the proviso, the words “for extension of existing business or profession” shall be omitted;

(b) in clause (vii), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that where the amount of such debt or part thereof has been taken into account in computing the income of the assessee of the previous year in which the amount of such debt or part thereof becomes irrecoverable or of an earlier previous year on the basis of income computation and disclosure standards notified under sub-section (2) of section 145 without recording the same in the accounts, then, such debt or part thereof shall be allowed in the previous year in which such debt or part thereof becomes irrecoverable and it shall be deemed that such debt or part thereof has been written off as irrecoverable in the accounts for the purposes of this clause.”;

(c) after clause (xvi), the following clause shall be inserted, namely:—

“(xvii) the amount of expenditure incurred by a co-operative society engaged in the business of manufacture of sugar for purchase of sugarcane at a price which is equal to or less than the price fixed or approved by the Government.”.

Amendment of
section 47.

14. In section 47 of the Income-tax Act, with effect from the 1st day of April, 2016,—

(a) after clause (viaa), the following clause shall be inserted, namely:—

“(viab) any transfer, in a scheme of amalgamation, of a capital asset, being a share of a foreign company, referred to in the *Explanation 5* to clause (i) of sub-section (1) of section 9, which derives, directly or indirectly, its value substantially from the share or shares of an Indian company, held by the amalgamating foreign company to the amalgamated foreign company, if—

(A) at least twenty-five per cent. of the shareholders of the amalgamating foreign company continue to remain shareholders of the amalgamated foreign company; and

(B) such transfer does not attract tax on capital gains in the country in which the amalgamating company is incorporated;”;

(b) after clause (vicb), the following clause shall be inserted, namely:—

“(vicc) any transfer in a demerger, of a capital asset, being a share of a foreign company, referred to in the *Explanation 5* to clause (i) of sub-section (1) of section 9, which derives, directly or indirectly, its value substantially from the share or shares of an Indian company, held by the demerged foreign company to the resulting foreign company, if—

(a) the shareholders, holding not less than three-fourths in value of the shares of the demerged foreign company, continue to remain shareholders of the resulting foreign company; and

(b) such transfer does not attract tax on capital gains in the country in which the demerged foreign company is incorporated:

1 of 1956.

Provided that the provisions of sections 391 to 394 of the Companies Act, 1956 shall not apply in case of demergers referred to in this clause;”;

(c) after clause (xvii), the following clause shall be inserted, namely:—

“(xviii) any transfer by a unit holder of a capital asset, being a unit or units, held by him in the consolidating scheme of a mutual fund, made in consideration of the allotment to him of a capital asset, being a unit or units, in the consolidated scheme of the mutual fund:

Provided that the consolidation is of two or more schemes of equity oriented fund or of two or more schemes of a fund other than equity oriented fund.

Explanation.— For the purposes of this clause,—

(a) “consolidated scheme” means the scheme with which the consolidating scheme merges or which is formed as a result of such merger;

(b) “consolidating scheme” means the scheme of a mutual fund which merges under the process of consolidation of the schemes of mutual fund in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 made under the Securities and Exchange Board of India Act, 1992;

15 of 1992.

(c) “equity oriented fund” shall have the meaning assigned to it in clause (38) of section 10;

(d) “mutual fund” means a mutual fund specified under clause (23D) of section 10.’.

15. In section 49 of the Income-tax Act, with effect from the 1st day of April, 2016,—

Amendment
of section 49.

(I) in sub-section (1), in clause (iii), in sub-clause (e), for the words, brackets, figures and letters “or clause (viaa) or clause (vica) or clause (vicb)”, the words, brackets, figures and letters “or clause (viaa) or clause (viab) or clause (vib) or clause (vica) or clause (vicb) or clause (vicc)” shall be substituted;

(II) after sub-section (2AB), the following sub-section shall be inserted, namely:—

“(2ABB) Where the capital asset, being share or shares of a company, is acquired by a non-resident assessee on redemption of Global Depository Receipts referred to in clause (b) of sub-section (1) of section 115AC held by such assessee, the cost of acquisition of the share or shares shall be the price of such share or shares prevailing on any recognised stock exchange on the date on which a request for such redemption was made.

Explanation.—For the purposes of this sub-section, “recognised stock exchange” shall have the meaning assigned to it in clause (ii) of the *Explanation* 1 to sub-section (5) of section 43.’;

(III) after sub-section (2AC), the following sub-section shall be inserted, namely:—

“(2AD) Where the capital asset, being a unit or units in a consolidated scheme of a mutual fund, became the property of the assessee in consideration of a transfer referred to in clause (xviii) of section 47, the cost of acquisition of the asset shall be deemed to be the cost of acquisition to him of the unit or units in the consolidating scheme of the mutual fund.”.

Amendment of
section 80C.

16. In section 80C of the Income-tax Act,—

(I) in sub-section (2), in clause (viii), for the words “as subscription to”, the words, brackets and figure “as subscription, in the name of any person specified in sub-section (4), to” shall be substituted;

(II) in sub-section (4), after clause (b), the following clause shall be inserted, namely:—

“(ba) for the purposes of clause (viii) of that sub-section, in the case of an individual, the individual or any girl child of that individual, or any girl child for whom such person is the legal guardian, if the scheme so specifies;”.

Amendment of
section 80CCC.

17. In section 80CCC of the Income-tax Act, in sub-section (I), for the words “one lakh rupees”, the words “one hundred and fifty thousand rupees” shall be substituted with effect from the 1st day of April, 2016.

Amendment of
section
80CCD.

18. In section 80CCD of the Income-tax Act, with effect from the 1st day of April, 2016,—

(a) sub-section (IA) shall be omitted;

(b) after sub-section (IA), as so omitted, the following sub-section shall be inserted, namely:—

“(IB) An assessee referred to in sub-section (I), shall be allowed a deduction in computation of his total income, whether or not any deductions is allowed under sub-section (I), of the whole of the amount paid or deposited in the previous year in his account under a pension scheme notified or as may be notified by the Central Government, which shall not exceed fifty thousand rupees:

Provided that no deduction under this sub-section shall be allowed in respect of the amount on which a deduction has been claimed and allowed under sub-section (I).”;

(c) in sub-section (3),—

(I) for the word, brackets and figure “sub-section (I)”, wherever they occur, the words, brackets, figures and letter “sub-section (I) or sub-section (IB)” shall be substituted;

(II) for the words “under that sub-section”, the words “under those sub-sections” shall be substituted;

(d) in sub-section (4), for the word, brackets and figure “sub-section (I)”, the words, brackets, figures and letter “sub-section (I) or sub-section (IB)” shall be substituted.

Amendment of
section 80D.

19. In section 80D of the Income-tax Act, with effect from the 1st day of April, 2016,—

(A) for the words “fifteen thousand rupees”, wherever they occur, the words “twenty-five thousand rupees” shall be substituted;

(B) for the words “twenty thousand rupees”, wherever they occur, the words “thirty thousand rupees” shall be substituted;

(C) in sub-section (2), after clause (b), the following shall be inserted, namely:—

“(c) the whole of the amount paid on account of medical expenditure incurred on the health of the assessee or any member of his family as does not exceed in the aggregate thirty thousand rupees; and

(d) the whole of the amount paid on account of medical expenditure incurred on the health of any parent of the assessee, as does not exceed in the aggregate thirty thousand rupees;

Provided that the amount referred to in clause (c) or clause (d) is paid in respect of a very senior citizen and no amount has been paid to effect or to keep in force an insurance on the health of such person:

Provided further that the aggregate of the sum specified under clause (a) and clause (c) or the aggregate of the sum specified under clause (b) and clause (d) shall not exceed thirty thousand rupees.”;

(D) for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) Where the assessee is a Hindu undivided family, the sum referred to in sub-section (1), shall be the aggregate of the following, namely:—

(a) whole of the amount paid to effect or to keep in force an insurance on the health of any member of that Hindu undivided family as does not exceed in the aggregate twenty-five thousand rupees; and

(b) the whole of the amount paid on account of medical expenditure incurred on the health of any member of the Hindu undivided family as does not exceed in the aggregate thirty thousand rupees:

Provided that the amount referred to in clause (b) is paid in respect of a very senior citizen and no amount has been paid to effect or to keep in force an insurance on the health of such person:

Provided further that the aggregate of the sum specified under clause (a) and clause (b) shall not exceed thirty thousand rupees.”;

(E) in sub-section (4), —

(i) for the words, brackets and figure “or in sub-section (3)”, the words, brackets, letter and figure “or clause (a) of sub-section (3)” shall be substituted;

(ii) after the words “senior citizen,”, the words “or a very senior citizen,” shall be inserted;

(iii) the *Explanation* shall be omitted;

(F) after sub-section (5), the following *Explanation* shall be inserted, namely:—

‘*Explanation*.—For the purposes of this section,—

(i) “senior citizen” means an individual resident in India who is of the age of sixty years or more at any time during the relevant previous year;

(ii) “very senior citizen” means an individual resident in India who is of the age of eighty years or more at any time during the relevant previous year.’.

20. In section 80DD of the Income-tax Act, with effect from the 1st day of April, 2016, for sub-section (1), the following sub-section shall be substituted, namely:—

Amendment
of section
80DD.

‘(1) Where an assessee, being an individual or a Hindu undivided family, who is a resident in India, has, during the previous year,—

(a) incurred any expenditure for the medical treatment (including nursing), training and rehabilitation of a dependant, being a person with disability; or

(b) paid or deposited any amount under a scheme framed in this behalf by the Life Insurance Corporation or any other insurer or the Administrator or the specified company subject to the conditions specified in sub-section (2) and approved by the Board in this behalf for the maintenance of a dependant, being a person with disability,

the assessee shall, in accordance with and subject to the provisions of this section, be allowed a deduction of a sum of seventy-five thousand rupees from his gross total income in respect of the previous year:

Provided that where such dependant is a person with severe disability, the provisions of this sub-section shall have effect as if for the words "seventy-five thousand rupees", the words "one hundred and twenty-five thousand rupees" had been substituted.'

Amendment
of section
80DDB.

21. In section 80DDB of the Income-tax Act, with effect from the 1st day of April, 2016,—

(i) for the first proviso, the following proviso shall be substituted, namely:—

"Provided that no such deduction shall be allowed unless the assessee obtains the prescription for such medical treatment from a neurologist, an oncologist, a urologist, a haematologist, an immunologist or such other specialist, as may be prescribed:";

(ii) after the third proviso, the following proviso shall be inserted, namely:—

'Provided also that where the amount actually paid is in respect of the assessee or his dependant or any member of a Hindu undivided family of the assessee and who is a very senior citizen, the provisions of this section shall have effect as if for the words "forty thousand rupees", the words "eighty thousand rupees" had been substituted.';

(iii) in the *Explanation*,—

(a) clause (ii) shall be omitted;

(b) after clause (iv), the following clause shall be inserted, namely:—

'(v) "very senior citizen" means an individual resident in India who is of the age of eighty years or more at any time during the relevant previous year.'

Amendment of
section 80G.

22. In section 80G of the Income-tax Act,—

(A) in sub-section (1), in clause (i),—

(I) after the words, brackets, figures and letters "sub-clause (iihj) or", the words, brackets, figures and letters "sub-clause (iihk) or sub-clause (iihl) or" shall be inserted;

(II) after the words, brackets, figures and letters "sub-clause (iihl) or", as so inserted, the words, brackets, figures and letters "sub-clause (iihm) or" shall be inserted with effect from the 1st day of April, 2016;

(B) in sub-section (2), in clause (a),—

(I) after sub-clause (iihj), the following sub-clauses shall be inserted, namely:—

"(iihk) the Swachh Bharat Kosh, set up by the Central Government, other than the sum spent by the assessee in pursuance of Corporate Social Responsibility under sub-section (5) of section 135 of the Companies Act, 2013; or

18 of 2013.

(iihl) the Clean Ganga Fund, set up by the Central Government, where such assessee is a resident and such sum is other than the sum spent by the assessee in pursuance of Corporate Social Responsibility under sub-section (5) of section 135 of the Companies Act, 2013; or";

18 of 2013.

(II) the following sub-clause shall be inserted with effect from the 1st day of April, 2016, namely:—

"(iihm) the National Fund for Control of Drug Abuse constituted under section 7A of the Narcotic Drugs and Psychotropic Substances Act, 1985; or".

61 of 1985.

- 23.** In section 80JJAA of the Income-tax Act, with effect from the 1st day of April, 2016,—
- Amendment of section 80JJAA.
- (a) in sub-section (1), the words “being an Indian company,” shall be omitted;
- (b) in sub-section (2), for clause (a), the following clause shall be substituted, namely:—
- “(a) if the factory is acquired by the assessee by way of transfer from any other person or as a result of any business reorganisation;”;
- (c) in the *Explanation*, in clause (i), for the words “one hundred workmen”, the words “fifty workmen” shall be substituted.
- 24.** In section 80U of the Income-tax Act, with effect from the 1st day of April, 2016, for sub-section (1), the following sub-section shall be substituted, namely:—
- Amendment of section 80U.
- ‘(1) In computing the total income of an individual, being a resident, who, at any time during the previous year, is certified by the medical authority to be a person with disability, there shall be allowed a deduction of a sum of seventy-five thousand rupees:
- Provided that where such individual is a person with severe disability, the provisions of this sub-section shall have effect as if for the words “seventy-five thousand rupees”, the words “one hundred and twenty-five thousand rupees” had been substituted.’.
- 25.** In section 92BA of the Income-tax Act, for the words “five crore rupees” occurring at the end, the words “twenty crore rupees” shall be substituted with effect from the 1st day of April, 2016.
- Amendment of section 92BA.
- 26.** Section 95 of the Income-tax Act shall be numbered as sub-section (1) thereof, and after sub-section (1) as so numbered and before the *Explanation*, the following sub-section shall be inserted, namely:—
- Amendment of section 95.
- “(2) This Chapter shall apply in respect of any assessment year beginning on or after the 1st day of April, 2018.”.
- 27.** In section 111A of the Income-tax Act, in sub-section (1), the second proviso shall be omitted with effect from the 1st day of April, 2016.
- Amendment of section 111A.
- 28.** In section 115A of the Income-tax Act, in sub-section (1), in clause (b), with effect from the 1st day of April, 2016,—
- Amendment of section 115A.
- (a) in sub-clause (A), for the words “twenty-five per cent.”, the words “ten per cent.” shall be substituted;
- (b) in sub-clause (B), for the words “twenty-five per cent.”, the words “ten per cent.” shall be substituted.
- 29.** In section 115ACA of the Income-tax Act, after sub-section (3), in the *Explanation*, in clause (a), with effect from the 1st day of April, 2016, for the words “issued to non-resident investors against the issue of ordinary shares or foreign currency convertible bonds of issuing company” occurring at the end, the following shall be substituted, namely:—
- Amendment of section 115ACA.
- “issued to investors against the issue of,—
- (i) ordinary shares of issuing company, being a company listed on a recognised stock exchange in India; or
- (ii) foreign currency convertible bonds of issuing company;”.
- 30.** In section 115JB of the Income-tax Act, in the *Explanation* 1 below sub-section (2), with effect from the 1st day of April, 2016,—
- Amendment of section 115JB.
- (a) after clause (f), the following clauses shall be inserted, namely:—

“(fa) the amount or amounts of expenditure relatable to income, being share of the assessee in the income of an association of persons or body of individuals, on which no income-tax is payable in accordance with the provisions of section 86; or

(fb) the amount or amounts of expenditure relatable to income accruing or arising to an assessee, being a foreign company, from,—

(A) the capital gains arising on transactions in securities; or

(B) the interest, royalty or fees for technical services chargeable to tax at the rate or rates specified in Chapter XII,

if the income-tax payable thereon in accordance with the provisions of this Act, other than the provisions of this Chapter, is at a rate less than the rate specified in sub-section (1); or

(fc) the amount representing notional loss on transfer of a capital asset, being share of a special purpose vehicle, to a business trust in exchange of units allotted by the trust referred to in clause (xvii) of section 47 or the amount representing notional loss resulting from any change in carrying amount of said units or the amount of loss on transfer of units referred to in clause (xvii) of section 47; or”;

(b) after clause (j), the following clause shall be inserted, namely:—

“(k) the amount of gain on transfer of units referred to in clause (xvii) of section 47 computed by taking into account the cost of the shares exchanged with units referred to in the said clause or the carrying amount of the shares at the time of exchange where such shares are carried at a value other than the cost through profit or loss account, as the case may be;”;

(c) after clause (iib), the following clauses shall be inserted, namely:—

“(iic) the amount of income, being the share of the assessee in the income of an association of persons or body of individuals, on which no income-tax is payable in accordance with the provisions of section 86, if any, such amount is credited to the profit and loss account; or

(iia) the amount of income accruing or arising to an assessee, being a foreign company, from,—

(A) the capital gains arising on transactions in securities; or

(B) the interest, royalty or fees for technical services chargeable to tax at the rate or rates specified in Chapter XII,

if such income is credited to the profit and loss account and the income-tax payable thereon in accordance with the provisions of this Act, other than the provisions of this Chapter, is at a rate less than the rate specified in sub-section (1); or

(iie) the amount representing,—

(A) notional gain on transfer of a capital asset, being share of a special purpose vehicle to a business trust in exchange of units allotted by that trust referred to in clause (xvii) of section 47; or

(B) notional gain resulting from any change in carrying amount of said units; or

(C) gain on transfer of units referred to in clause (xvii) of section 47,

if any, credited to the profit and loss account; or

(iif) the amount of loss on transfer of units referred to in clause (xvii) of section 47 computed by taking into account the cost of the shares exchanged with units referred to in the said clause or the carrying amount of the shares at the time of exchange where such shares are carried at a value other than the cost through profit or loss account, as the case may be; or”;

(d) after *Explanation 3*, the following *Explanation* shall be inserted, namely:—

‘*Explanation 4.*—For the purposes of sub-section (2), the expression “securities” shall have the same meaning as assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956.’.

42 of 1956.

31. In section 115U of the Income-tax Act, after sub-section (5), before the *Explanation 1*, the following sub-section shall be inserted with effect from the 1st day of April, 2016, namely:—

Amendment of section 115U.

“(6) Nothing contained in this Chapter shall apply in respect of any income, of a previous year relevant to the assessment year beginning on or after the 1st day of April, 2016, accruing or arising to, or received by, a person from investments made in a venture capital company or venture capital fund, being an investment fund specified in clause (a) of the *Explanation 1* to section 115UB.”.

32. In section 115UA of the Income-tax Act, in sub-section (3), after the words, brackets, figures and letters “in clause (23FC)”, the words, brackets, figures and letters “or clause (23FCA)” shall be inserted with effect from the 1st day of April, 2016.

Amendment of section 115UA.

33. After Chapter XII-FA of the Income-tax Act, the following Chapter shall be inserted with effect from the 1st day of April, 2016, namely:—

Insertion of new Chapter XII-FB.

‘CHAPTER XII-FB

SPECIAL PROVISIONS RELATING TO TAX ON INCOME OF INVESTMENT FUNDS AND INCOME RECEIVED FROM SUCH FUNDS

115UB. (1) Notwithstanding anything contained in any other provisions of this Act and subject to the provisions of this Chapter, any income accruing or arising to, or received by, a person, being a unit holder of an investment fund, out of investments made in the investment fund, shall be chargeable to income-tax in the same manner as if it were the income accruing or arising to, or received by, such person had the investments made by the investment fund been made directly by him.

Tax on income of investment fund and its unit holders.

(2) Where in any previous year, the net result of computation of total income of the investment fund [without giving effect to the provisions of clause (23FBA) of section 10] is a loss under any head of income and such loss cannot be or is not wholly set-off against income under any other head of income of the said previous year, then,—

(i) such loss shall be allowed to be carried forward and it shall be set-off by the investment fund in accordance with the provisions of Chapter VI; and

(ii) such loss shall be ignored for the purposes of sub-section (1).

(3) The income paid or credited by the investment fund shall be deemed to be of the same nature and in the same proportion in the hands of the person referred to in sub-section (1), as if it had been received by, or had accrued or arisen to, the investment fund during the previous year subject to the provisions of sub-section (2).

(4) The total income of the investment fund shall be charged to tax—

(i) at the rate or rates as specified in the Finance Act of the relevant year, where such fund is a company or a firm; or

(ii) at maximum marginal rate in any other case.

(5) The provisions of Chapter XII-D or Chapter XII-E shall not apply to the income paid by an investment fund under this Chapter.

(6) The income accruing or arising to, or received by, the investment fund, during a previous year, if not paid or credited to the person referred to in sub-section (1), shall subject to the provisions of sub-section (2), be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

(7) The person responsible for crediting or making payment of the income on behalf of an investment fund and the investment fund shall furnish, within such time as may be prescribed, to the person who is liable to tax in respect of such income and to the prescribed income-tax authority, a statement in the prescribed form and verified in such manner, giving details of the nature of the income paid or credited during the previous year and such other relevant details, as may be prescribed.

Explanation 1.—For the purposes of this Chapter,—

(a) “investment fund” means any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or a Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992;

15 of 1992.

(b) “trust” means a trust established under the Indian Trusts Act, 1882 or under any other law for the time being in force;

2 of 1882.

(c) “unit” means beneficial interest of an investor in the investment fund or a scheme of the investment fund and shall include shares or partnership interests.

Explanation 2.—For the removal of doubts, it is hereby declared that any income which has been included in total income of the person referred to in sub-section (1) in a previous year, on account of it having accrued or arisen in the said previous year, shall not be included in the total income of such person in the previous year in which such income is actually paid to him by the investment fund.’.

Amendment
of section
132B.

34. In section 132B of the Income-tax Act, in sub-section (1), in clause (i), with effect from the 1st day of June, 2015, for the words “deemed to be in default, may be recovered out of such assets” occurring at the end, the words, brackets, figures and letter “deemed to be in default, or the amount of liability arising on an application made before the Settlement Commission under sub-section (1) of section 245C, may be recovered out of such assets” shall be substituted.

Amendment
of section
139.

35. In section 139 of the Income-tax Act, with effect from the 1st day of April, 2016,—

(1). in sub-section (1),—

(A) for fourth proviso, the following provisos shall be substituted, namely:—

“Provided also that a person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6, who is not required to furnish a return under this sub-section and who at any time during the previous year,—

(a) holds, as a beneficial owner or otherwise, any asset (including any financial interest in any entity) located outside India or has signing authority in any account located outside India; or

(b) is a beneficiary of any asset (including any financial interest in any entity) located outside India,

shall furnish, on or before the due date, a return in respect of his income or loss for the previous year in such form and verified in such manner and setting forth such other particulars as may be prescribed:

Provided also that nothing contained in the fourth proviso shall apply to an individual, being a beneficiary of any asset (including any financial interest in any entity) located outside India where, income, if any, arising from such asset is includible in the income of the person referred to in clause (a) of that proviso in accordance with the provisions of this Act.”;

(B) after *Explanation 3*, the following *Explanations* shall be inserted, namely:—

Explanation 4.—For the purposes of this section “beneficial owner” in respect of an asset means an individual who has provided, directly or indirectly, consideration for the asset for the immediate or future benefit, direct or indirect, of himself or any other person.

Explanation 5.—For the purposes of this section “beneficiary” in respect of an asset means an individual who derives benefit from the asset during the previous year and the consideration for such asset has been provided by any person other than such beneficiary.”;

(II) in sub-section (4C), in clause (e),—

(a) after the words “other educational institution referred to in”, the words, brackets, figures and letters “sub-clause (iiiab) or” shall be inserted;

(b) after the words “other medical institution referred to in”, the words, brackets, figures and letters “sub-clause (iiiac) or” shall be inserted;

(III) after sub-section (4E), the following sub-section shall be inserted, namely:—

“(4F) Every investment fund referred to in section 115UB, which is not required to furnish return of income or loss under any other provisions of this section, shall furnish the return of income in respect of its income or loss in every previous year and all the provisions of this Act shall, so far as may be, apply as if it were a return required to be furnished under sub-section (I).”;

(IV) in sub-section (6), for the words “assets of the prescribed nature, value and belonging to him”, the words “assets of the prescribed nature and value, held by him as a beneficial owner or otherwise or in which he is a beneficiary” shall be substituted.

36. For section 151 of the Income-tax Act, the following section shall be substituted with effect from the 1st day of June, 2015, namely:—

“151. (I) No notice shall be issued under section 148 by an Assessing Officer, after the expiry of a period of four years from the end of the relevant assessment year, unless the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner is satisfied, on the reasons recorded by the Assessing Officer, that it is a fit case for the issue of such notice.

(2) In a case other than a case falling under sub-section (I), no notice shall be issued under section 148 by an Assessing Officer, who is below the rank of Joint Commissioner, unless the Joint Commissioner is satisfied, on the reasons recorded by such Assessing Officer, that it is a fit case for the issue of such notice.

Substitution of new section for section 151. Sanction for issue of notice.

(3) For the purposes of sub-section (1) and sub-section (2), the Principal Chief Commissioner or the Chief Commissioner or the Principal Commissioner or the Commissioner or the Joint Commissioner, as the case may be, being satisfied on the reasons recorded by the Assessing Officer about fitness of a case for the issue of notice under section 148, need not issue such notice himself.”.

Amendment
of section
153C.

37. In section 153C of the Income-tax Act, in sub-section (1), with effect from the 1st day of June, 2015, for the portion beginning with the words and figures “Notwithstanding anything contained in section 139” and ending with the words “the Assessing Officer having jurisdiction over such other person”, the words, figures, brackets and letters “Notwithstanding anything contained in section 139, section 147, section 148, section 149, section 151 and section 153, where the Assessing Officer is satisfied that,—

(a) any money, bullion, jewellery or other valuable article or thing, seized or requisitioned, belongs to; or

(b) any books of account or documents, seized or requisitioned, pertains or pertain to, or any information contained therein, relates to,

a person other than the person referred to in section 153A, then, the books of account or documents or assets, seized or requisitioned shall be handed over to the Assessing Officer having jurisdiction over such other person” shall be substituted.

Amendment
of section
154.

38. In section 154 of the Income-tax Act, with effect from the 1st day of June, 2015,—

(i) in sub-section (1), after clause (c), the following clause shall be inserted, namely:—

“(d) amend any intimation under sub-section (1) of section 206CB.”;

(ii) in sub-section (2), in clause (b), after the words “or by the deductor”, the words “or by the collector” shall be inserted;

(iii) in sub-section (3), after the words “or the deductor” wherever they occur, the words “or the collector” shall be inserted;

(iv) in sub-section (5), after the words “or the deductor” at both the places where they occur, the words “or the collector” shall be inserted;

(v) in sub-section (6), after the words “or the deductor” at both the places where they occur, the words “or the collector” shall be inserted;

(vi) in sub-section (8), after the words “or by the deductor”, the words “or by the collector” shall be inserted.

Amendment of
section 156.

39. In section 156 of the Income-tax Act, in the proviso, with effect from the 1st day of June, 2015, for the words, brackets, figures and letter “by the deductor under sub-section (1) of section 143 or sub-section (1) of section 200A”, the words, brackets, figures and letters “the deductor or the collector under sub-section (1) of section 143 or sub-section (1) of section 200A or sub-section (1) of section 206CB” shall be substituted.

Insertion of
new section
158AA.

40. After section 158A of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2015, namely:—

Procedure
when in an
appeal by
revenue an
identical
question of law
is pending
before Supreme
Court.

“158AA. (1) Notwithstanding anything contained in this Act, where the Commissioner or Principal Commissioner is of the opinion that any question of law arising in the case of an assessee for any assessment year (such case being herein referred to as relevant case) is identical with a question of law arising in his case for another assessment year which is pending before the Supreme Court, in an appeal under section 261 or in a special leave petition under article 136 of the Constitution, against the order of the High Court in favour of the assessee (such case being herein referred to as the other case), he may, instead of directing the Assessing Officer to appeal to the Appellate Tribunal under sub-section (2) or sub-section (2A) of

section 253, direct the Assessing Officer to make an application to the Appellate Tribunal in the prescribed form within sixty days from the date of receipt of the order of the Commissioner (Appeals) stating that an appeal on the question of law arising in the relevant case may be filed when the decision on the question of law becomes final in the other case.

(2) The Commissioner or Principal Commissioner shall direct the Assessing Officer to make an application under sub-section (1) only if an acceptance is received from the assessee to the effect that the question of law in the other case is identical to that arising in the relevant case; and in case no such acceptance is received, the Commissioner or Principal Commissioner shall proceed in accordance with the provisions contained in sub-section (2) or sub-section (2A) of section 253.

(3) Where the order of the Commissioner (Appeals) referred to in sub-section (1) is not in conformity with the final decision on the question of law in the other case, the Commissioner or Principal Commissioner may direct the Assessing Officer to appeal to the Appellate Tribunal against such order and save as otherwise provided in this section all other provisions of Part B of Chapter XX shall apply accordingly.

(4) Every appeal under sub-section (3) shall be filed within sixty days from the date on which the order of the Supreme Court in the other case is communicated to the Commissioner or Principal Commissioner.

41. In section 192 of the Income-tax Act, after sub-section (2C), the following sub-section shall be inserted with effect from the 1st day of June, 2015, namely:—

Amendment
of section
192.

“(2D) The person responsible for making the payment referred to in sub-section (1) shall, for the purposes of estimating income of the assessee or computing tax deductible under sub-section (1), obtain from the assessee the evidence or proof or particulars of prescribed claims (including claim for set-off of loss) under the provisions of the Act in such form and manner as may be prescribed.”.

42. After section 192 of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2015, namely:—

Insertion of
new section
192A.

“192A. Notwithstanding anything contained in this Act, the trustees of the Employees’ Provident Fund Scheme, 1952, framed under section 5 of the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 or any person authorised under the scheme to make payment of accumulated balance due to employees, shall, in a case where the accumulated balance due to an employee participating in a recognised provident fund is includible in his total income owing to the provisions of rule 8 of Part A of the Fourth Schedule not being applicable, at the time of payment of the accumulated balance due to the employee, deduct income-tax thereon at the rate of ten per cent.:

Payment of
accumulated
balance due to
an employee.

Provided that no deduction under this section shall be made where the amount of such payment or, as the case may be, the aggregate amount of such payment to the payee is less than thirty thousand rupees:

Provided further that any person entitled to receive any amount on which tax is deductible under this section shall furnish his permanent account number to the person responsible for deducting such tax, failing which tax shall be deducted at the maximum marginal rate.”.

43. In section 194A of the Income-tax Act, in sub-section (3), with effect from the 1st day of June, 2015,—

Amendment
of section
194A.

(a) in clause (i), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that the amount referred to in the first proviso shall be computed with reference to the income credited or paid by the banking company or the co-operative society or the public company, as

the case may be, where such banking company or the co-operative society or the public company has adopted core banking solutions;”;

(b) in clause (v), for the words “paid by a co-operative society to a member thereof or”, the words and brackets “paid by a co-operative society (other than a co-operative bank) to a member thereof or to such income credited or paid by a co-operative society” shall be substituted;

(c) after clause (v), the following *Explanation* shall be inserted, namely:—

‘*Explanation.*—For the purposes of this clause, “co-operative bank” shall have the same meaning as assigned to it in Part V of the Banking Regulation Act, 1949;’;

10 of 1949.

(d) for clause (ix), the following clauses shall be substituted, namely:—

“(ix) to such income credited by way of interest on the compensation amount awarded by the Motor Accidents Claims Tribunal;

(ixa) to such income paid by way of interest on the compensation amount awarded by the Motor Accidents Claims Tribunal where the amount of such income or, as the case may be, the aggregate of the amounts of such income paid during the financial year does not exceed fifty thousand rupees;”;

(e) in *Explanation 1* below clause (xi), for the word “excluding”, the word “including” shall be substituted.

Amendment
of section
194C.

44. In section 194C of the Income-tax Act, in sub-section (6), with effect from the 1st day of June, 2015, for the words “on furnishing of”, the words “where such contractor owns ten or less goods carriages at any time during the previous year and furnishes a declaration to that effect along with” shall be substituted.

Amendment
of section
194-I.

45. In section 194-I of the Income-tax Act, with effect from the 1st day of June, 2015, after the second proviso, the following proviso shall be inserted, namely:—

“Provided also that no deduction shall be made under this section where the income by way of rent is credited or paid to a business trust, being a real estate investment trust, in respect of any real estate asset, referred to in clause (23FCA) of section 10, owned directly by such business trust.”.

Amendment
of section
194LBA.

46. In section 194LBA of the Income-tax Act, with effect from the 1st day of June, 2015,—

(a) in sub-section (1), after the words, brackets, figures and letters “in clause (23FC)”, the words, brackets, figures and letters “or clause (23FCA)” shall be inserted;

(b) in sub-section (2), for the words “being a non-resident, not being a company”, the words and brackets “being a non-resident (not being a company)” shall be substituted;

(c) after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) Where any distributed income referred to in section 115UA, being of the nature referred to in clause (23FCA) of section 10, is payable by a business trust to its unit holder, being a non-resident (not being a company), or a foreign company, the person responsible for making the payment shall at the time of credit of such payment to the account of the payee or at the time of payment thereof in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rates in force.”.

Insertion of
new section
194LBB.
Income in
respect of
units of
investment
fund.

47. After section 194LBA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2015, namely:—

‘194LBB. Where any income, other than that proportion of income which is of the same nature as income referred to in clause (23FBB) of section 10, is payable to a unit holder in respect of units of an investment fund specified in clause (a) of the

Explanation 1 to section 115UB, the person responsible for making the payment shall, at the time of credit of such income to the account of payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of ten per cent.

Explanation.—For the purposes of this section,—

(a) “unit” shall have the meaning assigned to it in clause (c) of the *Explanation* 1 to section 115UB;

(b) where any income as aforesaid is credited to any account, whether called “suspense account” or by any other name, in the books of account of the person liable to pay such income, such crediting shall be deemed to be the credit of such income to the account of the payee, and the provisions of this section shall apply accordingly.’.

48. In section 194LD of the Income-tax Act, in sub-section (2), with effect from the 1st day of June, 2015, for the figures, letters and words “1st day of June, 2015”, the figures, letters and words “1st day of July, 2017” shall be substituted. Amendment of section 194LD.

49. In section 195 of the Income-tax Act, for sub-section (6), the following sub-section shall be substituted with effect from the 1st day of June, 2015, namely:— Amendment of section 195.

“(6) The person responsible for paying to a non-resident, not being a company, or to a foreign company, any sum, whether or not chargeable under the provisions of this Act, shall furnish the information relating to payment of such sum, in such form and manner, as may be prescribed.”.

50. In section 197A of the Income-tax Act, with effect from the 1st day of June, 2015,— Amendment of section 197A.

(i) in sub-section (1A), for the words, figures and letter “section 193 or section 194A” at both the places where they occur, the words, figures and letters “section 192A or section 193 or section 194A or section 194DA” shall respectively be substituted;

(ii) in sub-section (1C), for the words, figures and letter “section 193 or section 194 or section 194A” at both the places where they occur, the words, figures and letters “section 192A or section 193 or section 194 or section 194A or section 194DA” shall respectively be substituted.

51. In section 200 of the Income-tax Act, after sub-section (2), the following sub-section shall be inserted with effect from the 1st day of June, 2015, namely:— Amendment of section 200.

“(2A) In case of an office of the Government, where the sum deducted in accordance with the foregoing provisions of this Chapter or tax referred to in sub-section (1A) of section 192 has been paid to the credit of the Central Government without the production of a challan, the Pay and Accounts Officer or the Treasury Officer or the Cheque Drawing and Disbursing Officer or any other person, by whatever name called, who is responsible for crediting such sum or tax to the credit of the Central Government, shall deliver or cause to be delivered to the prescribed income-tax authority, or to the person authorised by such authority, a statement in such form, verified in such manner, setting forth such particulars and within such time as may be prescribed.”.

52. In section 200A of the Income-tax Act, in sub-section (1), for clauses (c) to (e), the following clauses shall be substituted with effect from the 1st day of June, 2015, namely:— Amendment of section 200A.

“(c) the fee, if any, shall be computed in accordance with the provisions of section 234E;

(d) the sum payable by, or the amount of refund due to, the deductor shall be determined after adjustment of the amount computed under clause (b) and clause (c) against any amount paid under section 200 or section 201 or section 234E and any amount paid otherwise by way of tax or interest or fee;

(e) an intimation shall be prepared or generated and sent to the deductor specifying the sum determined to be payable by, or the amount of refund due to, him under clause (d); and

(f) the amount of refund due to the deductor in pursuance of the determination under clause (d) shall be granted to the deductor.”.

Amendment of
section 203A.

53. In section 203A of the Income-tax Act, after sub-section (2), the following sub-section shall be inserted with effect from the 1st day of June, 2015, namely:—

“(3) The provisions of this section shall not apply to such person, as may be notified by the Central Government in this behalf.”.

Amendment
of section
206C.

54. In section 206C of the Income-tax Act, after sub-section (3), the following sub-sections shall be inserted with effect from the 1st day of June, 2015, namely:—

“(3A) In case of an office of the Government, where the amount collected under sub-section (1) or sub-section (1C) or sub-section (1D) has been paid to the credit of the Central Government without the production of a challan, the Pay and Accounts Officer or the Treasury Officer or the Cheque Drawing and Disbursing Officer or any other person, by whatever name called, who is responsible for crediting such tax to the credit of the Central Government, shall deliver or cause to be delivered to the prescribed income-tax authority, or to the person authorised by such authority, a statement in such form, verified in such manner, setting forth such particulars and within such time as may be prescribed.

(3B) The person referred to in the proviso to sub-section (3) may also deliver to the prescribed authority under the said proviso, a correction statement for rectification of any mistake or to add, delete or update the information furnished in the statement delivered under the said proviso in such form and verified in such manner, as may be specified by the authority.”.

Insertion of
new section
206CB.

Processing of
statements of
tax collected
at source.

55. After section 206CA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2015, namely:—

“206CB. (1) Where a statement of tax collection at source or a correction statement has been made by a person collecting any sum (herein referred to as collector) under section 206C, such statement shall be processed in the following manner, namely:—

(a) the sums collectible under this Chapter shall be computed after making the following adjustments, namely:—

(i) any arithmetical error in the statement;

(ii) an incorrect claim, apparent from any information in the statement;

(b) the interest, if any, shall be computed on the basis of the sums collectible as computed in the statement;

(c) the fee, if any, shall be computed in accordance with the provisions of section 234E;

(d) the sum payable by, or the amount of refund due to, the collector, shall be determined after adjustment of the amount computed under clause (b) and clause (c) against any amount paid under section 206C or section 234E and any amount paid otherwise by way of tax or interest or fee;

(e) an intimation shall be prepared or generated and sent to the collector specifying the sum determined to be payable by, or the amount of refund due to, him under clause (d); and

(f) the amount of refund due to the collector in pursuance of the determination under clause (d) shall be granted to the collector:

Provided that no intimation under this sub-section shall be sent after the expiry of the period of one year from the end of the financial year in which the statement is filed.

Explanation.—For the purposes of this sub-section, “an incorrect claim apparent from any information in the statement” shall mean a claim, on the basis of an entry, in the statement—

(i) of an item, which is inconsistent with another entry of the same or some other item in such statement;

(ii) in respect of rate of collection of tax at source, where such rate is not in accordance with the provisions of this Act.

(2) The Board may make a scheme for centralised processing of statements of tax collected at source to expeditiously determine the tax payable by, or the refund due to, the collector, as required under sub-section (1).’

56. In section 220 of the Income-tax Act, after sub-section (2B), the following sub-section shall be inserted with effect from the 1st day of June, 2015, namely:— Amendment of section 220.

“(2C) Notwithstanding anything contained in sub-section (2), where interest is charged under sub-section (7) of section 206C on the amount of tax specified in the intimation issued under sub-section (1) of section 206CB for any period, then, no interest shall be charged under sub-section (2) on the same amount for the same period.”.

57. In section 234B of the Income-tax Act, with effect from the 1st day of June, 2015,— Amendment of section 234B.

(i) after sub-section (2), the following sub-section shall be inserted, namely:—

“(2A) (a) where an application under sub-section (1) of section 245C for any assessment year has been made, the assessee shall be liable to pay simple interest at the rate of one per cent. for every month or part of a month comprised in the period commencing on the 1st day of April of such assessment year and ending on the date of making such application, on the additional amount of income-tax referred to in that sub-section;

(b) where as a result of an order of the Settlement Commission under sub-section (4) of section 245D for any assessment year, the amount of total income disclosed in the application under sub-section (1) of section 245C is increased, the assessee shall be liable to pay simple interest at the rate of one per cent. for every month or part of a month comprised in the period commencing on the 1st day of April of such assessment year and ending on the date of such order, on the amount by which the tax on the total income determined on the basis of such order exceeds the tax on the total income disclosed in the application filed under sub-section (1) of section 245C;

(c) where, as a result of an order under sub-section (6B) of section 245D, the amount on which interest was payable under clause (b) has been increased or reduced, as the case may be, the interest shall be increased or reduced accordingly.”;

(ii) for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) Where, as a result of an order of reassessment or recomputation under section 147 or section 153A, the amount on which interest was payable in respect of shortfall in payment of advance tax for any financial year under sub-section (1) is increased, the assessee shall be liable to pay simple interest at the rate of one per cent. for every month or part of a month comprised in the period commencing on the 1st day of April next following such financial year and ending on the date of the reassessment or recomputation under section 147 or section 153A, on the amount by which the tax on the total income determined on the basis of the reassessment or recomputation exceeds the tax on the total income determined under sub-section (1) of section 143 or on the basis of the regular assessment as referred to in sub-section (1), as the case may be.”;

(iii) in sub-section (4), the words, brackets, figures and letter “or an order of the Settlement Commission under sub-section (4) of section 245D” shall be omitted.

Amendment of section 245A. **58.** In section 245A of the Income-tax Act, in clause (b), in the *Explanation*, with effect from the 1st day of June, 2015,—

(A) for clause (i), the following clause shall be substituted, namely:—

“(i) a proceeding for assessment or reassessment or recomputation under section 147 shall be deemed to have commenced—

(a) from the date on which a notice under section 148 is issued for any assessment year;

(b) from the date of issuance of the notice referred to in sub-clause (a), for any other assessment year or assessment years for which a notice under section 148 has not been issued, but such notice could have been issued on such date, if the return of income for the other assessment year or assessment years has been furnished under section 139 or in response to a notice under section 142;”;

(B) in clause (iv), for the words, figure and letters “from the 1st day of the assessment year and concluded on the date on which the assessment is made” occurring at the end, the words and figures “from the date on which the return of income for that assessment year is furnished under section 139 or in response to a notice served under section 142 and concluded on the date on which the assessment is made; or on the expiry of two years from the end of the relevant assessment year, in case where no assessment is made” shall be substituted.

Amendment of section 245D. **59.** In section 245D of the Income-tax Act, for sub-section (6B), with effect from the 1st day of June, 2015, the following sub-section shall be substituted, namely:—

“(6B) The Settlement Commission may, with a view to rectifying any mistake apparent from the record, amend any order passed by it under sub-section (4)—

(a) at any time within a period of six months from the end of the month in which the order was passed; or

(b) at any time within the period of six months from the end of the month in which an application for rectification has been made by the Principal Commissioner or the Commissioner or the applicant, as the case may be:

Provided that no application for rectification shall be made by the Principal Commissioner or the Commissioner or the applicant after the expiry of six months from the end of the month in which an order under sub-section (4) is passed by the Settlement Commission:

Provided further that an amendment which has the effect of modifying the liability of the applicant shall not be made under this sub-section unless the Settlement Commission has given notice to the applicant and the Principal Commissioner or Commissioner of its intention to do so and has allowed the applicant and the Principal Commissioner or Commissioner an opportunity of being heard.”.

Amendment of section 245H. **60.** In section 245H of the Income-tax Act, in sub-section (1), with effect from the 1st day of June, 2015, after the words “subject to such conditions as it may think fit to impose”, the words “for the reasons to be recorded in writing” shall be inserted.

Amendment of section 245HA. **61.** In section 245HA of the Income-tax Act, in sub-section (1), with effect from the 1st day of June, 2015,—

(A) after clause (iii), the following clause shall be inserted, namely:—

“(iiia) in respect of any application made under section 245C, an order under sub-section (4) of section 245D has been passed not providing for the terms of settlement; or”;

(B) in the *Explanation*, after clause (c), the following clause shall be inserted, namely:—

“(ca) in respect of an application referred to clause (iiia), the day on which the order under sub-section (4) of section 245D was passed not providing for the terms of settlement;”.

62. In section 245K of the Income-tax Act, with effect from the 1st day of June, 2015,— Amendment of section 245K.

(A) in sub-section (1), for the words “he shall not be entitled to apply”, the words and brackets “he or any person related to such person (herein referred to as related person) shall not be entitled to apply” shall be substituted;

(B) in sub-section (2), for the words “shall not be subsequently entitled”, the words “or any related person shall not be subsequently entitled” shall be substituted;

(C) after sub-section (2), the following *Explanation* shall be inserted, namely:—

‘*Explanation.*—For the purposes of this section, “related person” with respect to a person means,—

(i) where such person is an individual, any company in which such person holds more than fifty per cent. of the shares or voting rights at any time, or any firm or association of persons or body of individuals in which such person is entitled to more than fifty per cent. of the profits at any time, or any Hindu undivided family in which such person is a *karta*;

(ii) where such person is a company, any individual who held more than fifty per cent. of the shares or voting rights in such company at any time before the date of application before the Settlement Commission by such person;

(iii) where such person is a firm or association of persons or body of individuals, any individual who was entitled to more than fifty per cent. of the profits in such firm, association of persons or body of individuals, at any time before the date of application before the Settlement Commission by such person;

(iv) where such person is a Hindu undivided family, the *karta* of that Hindu undivided family.’.

63. In section 245-O of the Income-tax Act, in sub-section (3), for clause (d), the following clause shall be substituted, namely:— Amendment of section 245-O.

“(d) a law Member from the Indian Legal Service, who is, or is qualified to be, an Additional Secretary to the Government of India.”.

64. In section 246A of the Income-tax Act, in sub-section (1), with effect from the 1st day of June, 2015,— Amendment of section 246A.

(a) in the opening portion, after the words “or any deductor”, the words “or any collector” shall be inserted;

(b) in clause (a), for the words, brackets, figures and letter “sub-section (1) of section 200A, where the assessee or the deductor”, the words, brackets, figures and letters “sub-section (1) of section 200A or sub-section (1) of section 206CB, where the assessee or the deductor or the collector” shall be substituted.

65. In section 253 of the Income-tax Act, in sub-section (1), after clause (e), the following clause shall be inserted with effect from the 1st day of June, 2015, namely:— Amendment of section 253.

“(f) an order passed by the prescribed authority under sub-clause (vi) or sub-clause (via) of clause (23C) of section 10.”.

66. In section 255 of the Income-tax Act, in sub-section (3), with effect from the 1st day of June, 2015, for the words “five hundred thousand rupees”, the words “fifteen lakh rupees” shall be substituted. Amendment of section 255.

Amendment
of section
263.

67. In section 263 of the Income-tax Act, in sub-section (1), the *Explanation* shall be numbered as *Explanation 1* thereof and after *Explanation 1* as so numbered, the following *Explanation* shall be inserted with effect from the 1st day of June, 2015, namely:—

“*Explanation 2.*—For the purposes of this section, it is hereby declared that an order passed by the Assessing Officer shall be deemed to be erroneous in so far as it is prejudicial to the interests of the revenue, if, in the opinion of the Principal Commissioner or Commissioner,—

(a) the order is passed without making inquiries or verification which should have been made;

(b) the order is passed allowing any relief without inquiring into the claim;

(c) the order has not been made in accordance with any order, direction or instruction issued by the Board under section 119; or

(d) the order has not been passed in accordance with any decision which is prejudicial to the assessee, rendered by the jurisdictional High Court or Supreme Court in the case of the assessee or any other person.”.

Substitution of
new section for
section 269SS.

68. For section 269SS of the Income-tax Act, the following section shall be substituted with effect from the 1st day of June, 2015, namely:—

Mode of taking
or accepting
certain loans,
deposits and
specified sum.

‘269SS. No person shall take or accept from any other person (herein referred to as the depositor), any loan or deposit or any specified sum, otherwise than by an account payee cheque or account payee bank draft or use of electronic clearing system through a bank account, if,—

(a) the amount of such loan or deposit or specified sum or the aggregate amount of such loan, deposit and specified sum; or

(b) on the date of taking or accepting such loan or deposit or specified sum, any loan or deposit or specified sum taken or accepted earlier by such person from the depositor is remaining unpaid (whether repayment has fallen due or not), the amount or the aggregate amount remaining unpaid; or

(c) the amount or the aggregate amount referred to in clause (a) together with the amount or the aggregate amount referred to in clause (b),

is twenty thousand rupees or more:

Provided that the provisions of this section shall not apply to any loan or deposit or specified sum taken or accepted from, or any loan or deposit or specified sum taken or accepted by,—

(a) the Government;

(b) any banking company, post office savings bank or co-operative bank;

(c) any corporation established by a Central, State or Provincial Act;

(d) any Government company as defined in clause (45) of section 2 of the Companies Act, 2013;

18 of 2013.

(e) such other institution, association or body or class of institutions, associations or bodies which the Central Government may, for reasons to be recorded in writing, notify in this behalf in the Official Gazette:

Provided further that the provisions of this section shall not apply to any loan or deposit or specified sum, where the person from whom the loan or deposit or specified sum is taken or accepted and the person by whom the loan or deposit or specified sum is taken or accepted, are both having agricultural income and neither of them has any income chargeable to tax under this Act.

Explanation.— For the purposes of this section,—

10 of 1949.

(i) “banking company” means a company to which the provisions of the Banking Regulation Act, 1949 applies and includes any bank or banking institution referred to in section 51 of that Act;

10 of 1949.

(ii) “co-operative bank” shall have the same meaning as assigned to it in Part V of the Banking Regulation Act, 1949;

(iii) “loan or deposit” means loan or deposit of money;

(iv) “specified sum” means any sum of money receivable, whether as advance or otherwise, in relation to transfer of an immovable property, whether or not the transfer takes place.’.

69. In section 269T of the Income-tax Act, with effect from the 1st day of June, 2015,— Amendment of section 269T.

(A) in the opening portion—

(a) after the words “repay any loan or deposit made with it”, the words “or any specified advance received by it” shall be inserted;

(b) after the words “made the loan or deposit”, the words “or paid the specified advance,” shall be inserted;

(B) in clause (a), after the words “loan or deposit”, the words “or specified advance” shall be inserted;

(C) in clause (b), the word “or” shall be inserted at the end;

(D) after clause (b) and before the long line, the following clause shall be inserted, namely:—

“(c) the aggregate amount of the specified advances received by such person either in his own name or jointly with any other person on the date of such repayment together with the interest, if any, payable on such specified advances,”;

(E) in the second proviso, after the words “any loan or deposit”, the words “or specified advance” shall be inserted;

(F) in the *Explanation*, after clause (iii), the following clause shall be inserted, namely:—

“(iv) “specified advance” means any sum of money in the nature of advance, by whatever name called, in relation to transfer of an immovable property, whether or not the transfer takes place.’.

70. In section 271 of the Income-tax Act, with effect from the 1st day of April, 2016, in sub-section (1), for *Explanation 4*, the following *Explanation* shall be substituted, namely:— Amendment of section 271.

“*Explanation 4.*— For the purposes of clause (iii) of this sub-section,—

(a) the amount of tax sought to be evaded shall be determined in accordance with the following formula—

$$(A - B) + (C - D)$$

where,

A = amount of tax on the total income assessed as per the provisions other than the provisions contained in section 115JB or section 115JC (herein called general provisions);

B = amount of tax that would have been chargeable had the total income assessed as per the general provisions been reduced by the amount of income in respect of which particulars have been concealed or inaccurate particulars have been furnished;

C = amount of tax on the total income assessed as per the provisions contained in section 115JB or section 115JC;

D = amount of tax that would have been chargeable had the total income assessed as per the provisions contained in section 115JB or section 115JC been reduced by the amount of income in respect of which particulars have been concealed or inaccurate particulars have been furnished:

Provided that where the amount of income in respect of which particulars have been concealed or inaccurate particulars have been furnished on any issue is considered both under the provisions contained in section 115JB or section 115JC and under general provisions, such amount shall not be reduced from total income assessed while determining the amount under item D:

Provided further that in a case where the provisions contained in section 115JB or section 115JC are not applicable, the item $(C-D)$ in the formula shall be ignored;

(b) where in any case the amount of income in respect of which particulars have been concealed or inaccurate particulars have been furnished has the effect of reducing the loss declared in the return or converting that loss into income, the amount of tax sought to be evaded shall be determined in accordance with the formula specified in clause (a) with the modification that the amount to be determined for item $(A-B)$ in that formula shall be the amount of tax that would have been chargeable on the income in respect of which particulars have been concealed or inaccurate particulars have been furnished had such income been the total income;

(c) where in any case to which *Explanation 3* applies, the amount of tax sought to be evaded shall be the tax on the total income assessed as reduced by the amount of advance tax, tax deducted at source, tax collected at source and self-assessment tax paid before the issue of notice under section 148.”.

Amendment of section 271D.

71. In section 271D of the Income-tax Act, in sub-section (1), after the words “loan or deposit” occurring at both the places, the words “or specified sum” shall be inserted with effect from the 1st day of June, 2015.

Amendment of section 271E.

72. In section 271E of the Income-tax Act, in sub-section (1), after the words “loan or deposit” occurring at both the places, the words “or specified advance” shall be inserted with effect from the 1st day of June, 2015.

Insertion of new section 271FAB.

73. After section 271FAA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2016, namely:—

Penalty for failure to furnish statement or information or document by an eligible investment fund.

“271FAB. If any eligible investment fund which is required to furnish a statement or any information or document, as required under sub-section (5) of section 9A fails to furnish such statement or information or document within the time prescribed under that sub-section, the income-tax authority prescribed under the said sub-section may direct that such fund shall pay, by way of penalty, a sum of five hundred thousand rupees.”.

Insertion of new section 271GA.

74. After section 271G of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2016, namely:—

Penalty for failure to furnish information or document under section 285A.

“271GA. If any Indian concern, which is required to furnish any information or document under section 285A, fails to do so, the income-tax authority, as may be prescribed under the said section, may direct that such Indian concern shall pay, by way of penalty,—

(i) a sum equal to two per cent. of the value of the transaction in respect of which such failure has taken place, if such transaction had the effect of

directly or indirectly transferring the right of management or control in relation to the Indian concern;

(ii) a sum of five hundred thousand rupees in any other case.”.

75. After section 271H of the Income-tax Act, the following section shall be inserted with effect from the 1st day of June, 2015, namely:—

“271-I. If a person, who is required to furnish information under sub-section (6) of section 195, fails to furnish such information, or furnishes inaccurate information, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of one lakh rupees.”.

Insertion of new section 271-I.

Penalty for failure to furnish information or furnishing inaccurate information under section 195.

76. In section 272A of the Income-tax Act, in sub-section (2), with effect from the 1st day of June, 2015,—

Amendment of section 272A.

(a) after clause (I), the following clause shall be inserted, namely:—

“(m) to deliver or cause to be delivered a statement within the time as may be prescribed under sub-section (2A) of section 200 or sub-section (3A) of section 206C,”;

(b) in the first proviso, for the words, brackets, figures and letter “statements under sub-section (3) of section 200 or the proviso to sub-section (3) of section 206C”, the words, brackets, figures and letters “statements under sub-section (2A) or sub-section (3) of section 200 or the proviso to sub-section (3) or under sub-section (3A) of section 206C” shall be substituted.

77. In section 273B of the Income-tax Act,—

Amendment of section 273B.

(I) for the words, figures and letters “section 271FB, section 271G”, the words, figures and letters “section 271FAB, section 271FB, section 271G, section 271GA” shall be substituted with effect from the 1st day of April, 2016;

(II) after the word, figures and letter “section 271H”, the word, figures and letter “section 271-I,” shall be inserted with effect from the 1st day of June, 2015.

78. After section 285 of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2016, namely:—

Insertion of new section 285A.

“285A. Where any share of, or interest in, a company or an entity registered or incorporated outside India derives, directly or indirectly, its value substantially from the assets located in India, as referred to in *Explanation 5* to clause (i) of sub-section (1) of section 9, and such company or, as the case may be, entity, holds, directly or indirectly, such assets in India through, or in, an Indian concern, then, such Indian concern shall, for the purposes of determination of any income accruing or arising in India under clause (i) of sub-section (1) of section 9, furnish within the prescribed period to the prescribed income-tax authority the information or documents, in such manner, as may be prescribed.”.

Furnishing of information or documents by an Indian concern in certain cases.

79. In section 288 of the Income-tax Act, with effect from the 1st day of June, 2015,—

Amendment of section 288.

(i) after sub-section (2), for the *Explanation*, the following *Explanation* shall be substituted, namely:—

“*Explanation.*—In this section, “accountant” means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 who holds a valid certificate of practice under sub-section (1) of section 6 of that Act, but does not include [except for the

purposes of representing the assessee under sub-section (1)]—

(a) in case of an assessee, being a company, the person who is not eligible for appointment as an auditor of the said company in accordance with the provisions of sub-section (3) of section 141 of the Companies Act, 2013; or

18 of 2013.

(b) in any other case,—

(i) the assessee himself or in case of the assessee, being a firm or association of persons or Hindu undivided family, any partner of the firm, or member of the association or the family;

(ii) in case of the assessee, being a trust or institution, any person referred to in clauses (a), (b), (c) and (cc) of sub-section (3) of section 13;

(iii) in case of any person other than persons referred to in sub-clauses (i) and (ii), the person who is competent to verify the return under section 139 in accordance with the provisions of section 140;

(iv) any relative of any of the persons referred to in sub-clauses (i), (ii) and (iii);

(v) an officer or employee of the assessee;

(vi) an individual who is a partner, or who is in the employment, of an officer or employee of the assessee;

(vii) an individual who, or his relative or partner—

(I) is holding any security of, or interest in, the assessee:

Provided that the relative may hold security or interest in the assessee of the face value not exceeding one hundred thousand rupees;

(II) is indebted to the assessee:

Provided that the relative may be indebted to the assessee for an amount not exceeding one hundred thousand rupees;

(III) has given a guarantee or provided any security in connection with the indebtedness of any third person to the assessee:

Provided that the relative may give guarantee or provide any security in connection with the indebtedness of any third person to the assessee for an amount not exceeding one hundred thousand rupees;

(viii) a person who, whether directly or indirectly, has business relationship with the assessee of such nature as may be prescribed;

(ix) a person who has been convicted by a court of an offence involving fraud and a period of ten years has not elapsed from the date of such conviction.”;

(ii) in sub-section (4), for the portion beginning with brackets, letter and words “(c) who has become an insolvent,” and ending with the words, brackets and letter “in the case of a person referred to in sub-clause (c)”, the following shall be substituted, namely:—

“(c) who has become an insolvent; or

(d) who has been convicted by a court for an offence involving fraud,

shall be qualified to represent an assessee under sub-section (1), for all times in the case of a person referred to in clause (a), for such time as the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner may by order determine in the case of a person referred to in clause (b), for the period during which the insolvency continues in the case of a person referred to in clause (c), and for a period of ten years from the date of conviction in the case of a person referred to in clause (d).”;

(iii) after sub-section (7), the following *Explanation* shall be inserted, namely:—

Explanation.—For the purposes of this section, “relative” in relation to an individual, means—

- (a) spouse of the individual;
- (b) brother or sister of the individual;
- (c) brother or sister of the spouse of the individual;
- (d) any lineal ascendant or descendant of the individual;
- (e) any lineal ascendant or descendant of the spouse of the individual;
- (f) spouse of a person referred to in clause (b), clause (c), clause (d) or clause (e);
- (g) any lineal descendant of a brother or sister of either the individual or the spouse of the individual.’.

80. In section 295 of the Income-tax Act, in sub-section (2), after clause (h), the following clause shall be inserted with effect from the 1st day of June, 2015, namely:— Amendment of section 295.

“(ha) the procedure for granting of relief or deduction, as the case may be, of any income-tax paid in any country or specified territory outside India, under section 90 or section 90A or section 91, against the income-tax payable under this Act;”.

Wealth-tax

81. In section 3 of the Wealth-tax Act, 1957, in sub-section (2), with effect from the 1st day of April, 2016, after the words, figures and letters “from the 1st day of April, 1993”, the words, figures and letters “but before the 1st day of April, 2016” shall be inserted. Amendment of Act 27 of 1957.

CHAPTER IV

INDIRECT TAXES

Customs

52 of 1962.

82. In the Customs Act, 1962 (hereinafter referred to as the Customs Act), in section 28,— Amendment of section 28.

(a) in sub-section (2), the following proviso shall be inserted, namely:—

“Provided that where notice under clause (a) of sub-section (1) has been served and the proper officer is of the opinion that the amount of duty along with interest payable thereon under section 28AA or the amount of interest, as the case may be, as specified in the notice, has been paid in full within thirty days from the date of receipt of the notice, no penalty shall be levied and the proceedings against such person or other persons to whom the said notice is served under clause (a) of sub-section (1) shall be deemed to be concluded.”;

(b) in sub-section (5), for the words “twenty-five per cent.”, the words “fifteen per cent.” shall be substituted;

(c) after *Explanation 2*, the following *Explanation* shall be inserted, namely:—

“*Explanation 3.*— For the removal of doubts, it is hereby declared that the proceedings in respect of any case of non-levy, short-levy, non-payment, short-payment or erroneous refund where show cause notice has been issued under sub-section (1) or sub-section (4), as the case may be, but an order determining duty under sub-section (8) has not been passed before the date on which the Finance Bill, 2015 receives the assent of the President, shall, without prejudice to the provisions of sections 135, 135A and 140, as may be applicable, be deemed to be concluded, if the payment of duty, interest and penalty under the proviso to sub-section (2) or under sub-section (5), as the case may be, is made in full within thirty days from the date on which such assent is received.”.

Amendment of section 112.	<p>83. In the Customs Act, in section 112, in clause (b), for sub-clause (ii), the following sub-clause shall be substituted, namely:—</p> <p>“(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher:</p> <p>Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;”.</p>	
Amendment of section 114.	<p>84. In the Customs Act, in section 114, for clause (ii), the following clause shall be substituted, namely:—</p> <p>“(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher:</p> <p>Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;”.</p>	
Amendment of section 127A.	85. In the Customs Act, in section 127A, in clause (b), in the proviso, the words “in any appeal or revision, as the case may be,” shall be omitted.	
Amendment of section 127B.	86. In the Customs Act, in section 127B, sub-section (1A) shall be omitted.	
Amendment of section 127C.	87. In the Customs Act, in section 127C, sub-section (6) shall be omitted.	
Omission of section 127E.	88. In the Customs Act, section 127E shall be omitted.	
Amendment of section 127H.	89. In the Customs Act, in section 127H, in sub-section (1), the <i>Explanation</i> shall be omitted.	
Amendment of section 127L.	<p>90. In the Customs Act, in section 127L, in sub-section (1),—</p> <p>(a) in clause (i), the words, brackets, figures and letters “passed under sub-section (7) of section 127C, as it stood immediately before the commencement of section 102 of the Finance Act, 2007 or sub-section (5) of section 127C” shall be omitted;</p> <p>(b) in clause (ii), the words, brackets, figures and letter “under said sub-section (7), as it stood immediately before the commencement of section 102 of the Finance Act, 2007 or sub-section (5) of section 127C” shall be omitted.</p>	<p>22 of 2007.</p> <p>22 of 2007.</p>
	<i>Customs Tariff</i>	
Amendment of First Schedule.	91. In the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act), the First Schedule shall be amended in the manner specified in the Second Schedule.	51 of 1975.
	<i>Central Excise</i>	
Amendment of section 3A.	<p>92. In the Central Excise Act, 1944 (hereinafter referred to as the Central Excise Act), in section 3A, after <i>Explanation 2</i>, the following <i>Explanation</i> shall be inserted, namely:—</p> <p>‘<i>Explanation 3.</i>— For the purposes of sub-sections (2) and (3), the word “factor” includes “factors”.’.</p>	1 of 1944.

93. In the Central Excise Act, in section 11A,—

Amendment
of section
11A.

(i) sub-sections (5), (6) and (7) shall be omitted;

(ii) in sub-sections (7A), (8) and clause (b) of sub-section (11), the words, brackets and figure “or sub-section (5)”, wherever they occur, shall be omitted;

(iii) in *Explanation 1*,—

(A) in clause (b), in sub-clause (ii), the words “on due date” shall be omitted;

(B) after sub-clause (v), the following sub-clause shall be inserted, namely :—

“(vi) in the case where only interest is to be recovered, the date of payment of duty to which such interest relates.”;

(C) clause (c) shall be omitted;

(iv) after sub-section (15), the following sub-section shall be inserted, namely :—

“(16) The provisions of this section shall not apply to a case where the liability of duty not paid or short-paid is self-assessed and declared as duty payable by the assessee in the periodic returns filed by him, and in such case, recovery of non-payment or short-payment of duty shall be made in such manner as may be prescribed.”.

(v) for *Explanation 2*, the following *Explanation* shall be substituted, namely :—

“*Explanation 2*.— For the removal of doubts, it is hereby declared that any non-levy, short-levy, non-payment, short-payment or erroneous refund where no show cause notice has been issued before the date on which the Finance Bill, 2015 receives the assent of the President, shall be governed by the provisions of section 11A as amended by the Finance Act, 2015.”;

94. In the Central Excise Act, for section 11AC, the following section shall be substituted, namely:—

Substitution of
new section
for section
11AC.

“11AC. (1) The amount of penalty for non-levy or short-levy or non-payment or short-payment or erroneous refund shall be as follows:—

Penalty for
short-levy or
non-levy of
duty in certain
cases.

(a) where any duty of excise has not been levied or paid or has been short-levied or short-paid or erroneously refunded, for any reason other than the reason of fraud or collusion or any wilful mis-statement or suppression of facts or contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty, the person who is liable to pay duty as determined under sub-section (10) of section 11A shall also be liable to pay a penalty not exceeding ten per cent. of the duty so determined or rupees five thousand, whichever is higher:

Provided that where such duty and interest payable under section 11AA is paid either before the issue of show cause notice or within thirty days of issue of show cause notice, no penalty shall be payable by the person liable to pay duty or the person who has paid the duty and all proceedings in respect of said duty and interest shall be deemed to be concluded;

(b) where any duty as determined under sub-section (10) of section 11A and the interest payable thereon under section 11AA in respect of transactions referred to in clause (a) is paid within thirty days of the date of communication of

the order of the Central Excise Officer who has determined such duty, the amount of penalty liable to be paid by such person shall be twenty-five per cent. of the penalty imposed, subject to the condition that such reduced penalty is also paid within the period so specified;

(c) where any duty of excise has not been levied or paid or has been short-levied or short-paid or erroneously refunded, by reason of fraud or collusion or any wilful mis-statement or suppression of facts, or contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty, the person who is liable to pay duty as determined under sub-section (10) of section 11A shall also be liable to pay a penalty equal to the duty so determined:

Provided that in respect of the cases where the details relating to such transactions are recorded in the specified record for the period beginning with the 8th April, 2011 up to the date on which the Finance Bill, 2015 receives the assent of the President (both days inclusive), the penalty shall be fifty per cent. of the duty so determined;

(d) where any duty demanded in a show cause notice and the interest payable thereon under section 11AA, issued in respect of transactions referred to in clause (c), is paid within thirty days of the communication of show cause notice, the amount of penalty liable to be paid by such person shall be fifteen per cent. of the duty demanded, subject to the condition that such reduced penalty is also paid within the period so specified and all proceedings in respect of the said duty, interest and penalty shall be deemed to be concluded;

(e) where any duty as determined under sub-section (10) of section 11A and the interest payable thereon under section 11AA in respect of transactions referred to in clause (c) is paid within thirty days of the date of communication of the order of the Central Excise Officer who has determined such duty, the amount of penalty liable to be paid by such person shall be twenty-five per cent. of the duty so determined, subject to the condition that such reduced penalty is also paid within the period so specified.

(2) Where the appellate authority or tribunal or court modifies the amount of duty of excise determined by the Central Excise Officer under sub-section (10) of section 11A, then, the amount of penalty payable under clause (c) of sub-section (1) and the interest payable under section 11AA shall stand modified accordingly and after taking into account the amount of duty of excise so modified, the person who is liable to pay duty as determined under sub-section (10) of section 11A shall also be liable to pay such amount of penalty and interest so modified.

(3) Where the amount of duty or penalty is increased by the appellate authority or tribunal or court over the amount determined under sub-section (10) of section 11A by the Central Excise Officer, the time within which the interest and the reduced penalty is payable under clause (b) or clause (e) of sub-section (1) in relation to such increased amount of duty shall be counted from the date of the order of the appellate authority or tribunal or court.

Explanation 1.— For the removal of doubts, it is hereby declared that—

(i) any case of non-levy, short-levy, non-payment, short-payment or erroneous refund where no show cause notice has been issued before the date on which the Finance Bill, 2015 receives the assent of the President shall be governed by the provisions of section 11AC as amended by the Finance Act, 2015;

(ii) any case of non-levy, short-levy, non-payment, short-payment or erroneous refund where show cause notice has been issued but an order

determining duty under sub-section (10) of section 11A has not been passed before the date on which the Finance Bill, 2015 receives the assent of the President, shall be eligible to closure of proceedings on payment of duty and interest under the proviso to clause (a) of sub-section (1) or on payment of duty, interest and penalty under clause (d) of sub-section (1), subject to the condition that the payment of duty, interest and penalty, as the case may be, is made within thirty days from the date on which the Finance Bill, 2015 receives the assent of the President;

(iii) any case of non-levy, short-levy, non-payment, short-payment or erroneous refund where an order determining duty under sub-section (10) of section 11A is passed after the date on which the Finance Bill, 2015 receives the assent of the President shall be eligible to payment of reduced penalty under clause (b) or clause (e) of sub-section (1), subject to the condition that the payment of duty, interest and penalty is made within thirty days of the communication of the order.

Explanation 2.— For the purposes of this section, the expression “specified records” means records maintained by the person chargeable with the duty in accordance with any law for the time being in force and includes computerised records.”

95. In the Central Excise Act, in section 31, in clause (c), in the proviso, the words “in any appeal or revision, as the case may be,” shall be omitted. Amendment of section 31.

96. In the Central Excise Act, in section 32, in sub-section (3), the proviso shall be omitted. Amendment of section 32.

97. In the Central Excise Act, in section 32B, for the words “, as the case may be, such one of the Vice-Chairmen”, at both the places where they occur, the words “the Member” shall be substituted. Amendment of section 32B.

98. In the Central Excise Act, in section 32E, sub-section (1A) shall be omitted. Amendment of section 32E.

99. In the Central Excise Act, in section 32F, in sub-section (6), for the words, figures and letters “on or before the 31st day of May, 2007, later than the 29th day of February, 2008 and in respect of an application made on or after the 1st day of June, 2007,” shall be omitted. Amendment of section 32F.

100. In the Central Excise Act, section 32H shall be omitted. Omission of section 32H.

101. In the Central Excise Act, in section 32K, in sub-section (1), the *Explanation* shall be omitted. Amendment of section 32K.

102. In the Central Excise Act, in section 32-O, in sub-section (1),— Amendment of section 32-O.

(a) in clause (i), the words, brackets, figures and letters “passed under sub-section (7) of section 32F, as it stood immediately before the commencement of section 122 of the Finance Act, 2007 or sub-section (5) of section 32F” shall be omitted;

22 of 2007.

(b) in clause (ii), the words, brackets, figures and letter “under the said sub-section (7), as it stood immediately before the commencement of section 122 of the Finance Act, 2007 or sub-section (5) of section 32F” shall be omitted.

22 of 2007.

103. In the Central Excise Act, in section 37, in sub-sections (4) and (5), for the words “two thousand rupees”, the words “five thousand rupees” shall be substituted. Amendment of section 37.

104. (1) The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 163 (E), dated the 17th March, 2012, issued under sub-section (1) of section 5A of the Central Excise Act, 1944 (hereinafter referred to as the Central Excise Act), shall stand amended and shall be deemed to have been amended, Amendment of notification issued under section 5A of the Central Excise Act.

1 of 1944.

retrospectively, in the manner specified in column (2) of the Third Schedule, on and from and up to the date specified in column (3) of that Schedule.

(2) For the purposes of sub-section (1), the Central Government shall have and shall be deemed to have the power to amend the notification with retrospective effect as if the Central Government had the power to amend the said notification under sub-section (1) of section 5A of the Central Excise Act, retrospectively, at all material times.

(3) Refund shall be made of all such duty of excise which has been collected but which would not have been so collected, had the notification referred to in sub-section (1), been in force at all material times, subject to the provisions of section 11B of the Central Excise Act.

(4) Notwithstanding anything contained in section 11B of the Central Excise Act, an application for the claim of refund of duty of excise under sub-section (3) shall be made within a period of six months from the date on which the Finance Bill, 2015 receives the assent of the President.

Amendment
of Third
Schedule.

105. In the Central Excise Act, the Third Schedule shall be amended in the manner specified in the Fourth Schedule.

Central Excise Tariff

Amendment
of First
Schedule.

106. In the Central Excise Tariff Act, 1985 (hereinafter referred to as the Central Excise Tariff Act), the First Schedule shall be amended in the manner specified in the Fifth Schedule. 5 of 1986.

CHAPTER V

SERVICE TAX

Amendment
of section
65B.

107. In the Finance Act, 1994 (hereinafter referred to as the 1994 Act), save as otherwise provided, in section 65B,— 32 of 1994.

(a) clause (9) shall be omitted with effect from such date as the Central Government may, by notification in the Official Gazette, appoint;

(b) after clause (23), the following clause shall be inserted, namely:—

“(23A) “foreman of chit fund” shall have the same meaning as is assigned to the term “foreman” in clause (j) of section 2 of the Chit Funds Act, 1982;” 40 of 1982.

(c) clause (24) shall be omitted with effect from such date as the Central Government may, by notification in the Official Gazette, appoint;

(d) after clause (26), the following clause shall be inserted, namely:—

“(26A) “Government” means the Departments of the Central Government, a State Government and its Departments and a Union territory and its Departments, but shall not include any entity, whether created by a statute or otherwise, the accounts of which are not required to be kept in accordance with article 150 of the Constitution or the rules made thereunder;”

(e) after clause (31), the following clause shall be inserted, namely:—

“(31A) “lottery distributor or selling agent” means a person appointed or authorised by a State for the purposes of promoting, marketing, selling or facilitating in organising lottery of any kind, in any manner, organised by such State in accordance with the provisions of the Lotteries (Regulation) Act, 1998;” 17 of 1998.

(f) in clause (40), the words “alcoholic liquors for human consumption,” shall be omitted with effect from such date as the Central Government may, by notification in the Official Gazette, appoint;

(g) in clause (44), for *Explanation 2*, the following *Explanation* shall be substituted, namely:—

‘Explanation 2.—For the purposes of this clause, the expression “transaction in money or actionable claim” shall not include—

(i) any activity relating to use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged;

(ii) any activity carried out, for a consideration, in relation to, or for facilitation of, a transaction in money or actionable claim, including the activity carried out—

(a) by a lottery distributor or selling agent in relation to promotion, marketing, organising, selling of lottery or facilitating in organising lottery of any kind, in any other manner;

(b) by a foreman of chit fund for conducting or organising a chit in any manner.’;

(h) clause (49) shall be omitted with effect from such date as the Central Government may, by notification in the Official Gazette, appoint.

108. In section 66B of the 1994 Act, with effect from such date as the Central Government may, by notification in the Official Gazette, appoint, for the words “twelve per cent.”, the words “fourteen per cent.” shall be substituted. Amendment of section 66B.

109. In section 66D of the 1994 Act, with effect from such date as the Central Government may, by notification in the Official Gazette, appoint,— Amendment of section 66D.

(1) in clause (a), in sub-clause (iv), for the words “support services”, the words “any service” shall be substituted;

(2) for clause (f), the following clause shall be substituted, namely:—

“(f) services by way of carrying out any process amounting to manufacture or production of goods excluding alcoholic liquor for human consumption;”;

(3) in clause (i), the following *Explanation* shall be inserted, namely:—

‘Explanation.— For the purposes of this clause, the expression “betting, gambling or lottery” shall not include the activity specified in *Explanation 2* to clause (44) of section 65B;’;

(4) clause (j) shall be omitted.

110. In section 66F of the 1994 Act, in sub-section (1), the following *Illustration* shall be inserted, namely:— Amendment of section 66F.

‘Illustration

The services by the Reserve Bank of India, being the main service within the meaning of clause (b) of section 66D, does not include any agency service provided or agreed to be provided by any bank to the Reserve Bank of India. Such agency service, being input service, used by the Reserve Bank of India for providing the main service, for which the consideration by way of fee or commission or any other amount is received by the agent bank, does not get excluded from the levy of service tax by virtue of inclusion of the main service in clause (b) of the negative list in section 66D and hence, such service is leviable to service tax.’.

Amendment
of section 67.

111. In section 67 of the 1994 Act, in the *Explanation*, for clause (a), the following clause shall be substituted, namely:—

‘(a) “consideration” includes—

(i) any amount that is payable for the taxable services provided or to be provided;

(ii) any reimbursable expenditure or cost incurred by the service provider and charged, in the course of providing or agreeing to provide a taxable service, except in such circumstances, and subject to such conditions, as may be prescribed;

(iii) any amount retained by the lottery distributor or selling agent from gross sale amount of lottery ticket in addition to the fee or commission, if any, or, as the case may be, the discount received, that is to say, the difference in the face value of lottery ticket and the price at which the distributor or selling agent gets such ticket.’.

Amendment
of section 73.

112. In section 73 of the 1994 Act,—

(i) after sub-section (1A), the following sub-section shall be inserted, namely:—

“(1B) Notwithstanding anything contained in sub-section (1), in a case where the amount of service tax payable has been self-assessed in the return furnished under sub-section (1) of section 70, but not paid either in full or in part, the same shall be recovered along with interest thereon in any of the modes specified in section 87, without service of notice under sub-section (1).”;

(ii) sub-section (4A) shall be omitted.

Substitution of
new section
for section 76.

113. For section 76 of the 1994 Act, the following section shall be substituted, namely:—

Penalty for
failure to pay
service tax.

“76. (1) Where service tax has not been levied or paid, or has been short-levied or short-paid, or erroneously refunded, for any reason, other than the reason of fraud or collusion or wilful mis-statement or suppression of facts or contravention of any of the provisions of this Chapter or of the rules made thereunder with the intent to evade payment of service tax, the person who has been served notice under sub-section (1) of section 73 shall, in addition to the service tax and interest specified in the notice, be also liable to pay a penalty not exceeding ten per cent. of the amount of such service tax:

Provided that where service tax and interest is paid within a period of thirty days of—

(i) the date of service of notice under sub-section (1) of section 73, no penalty shall be payable and proceedings in respect of such service tax and interest shall be deemed to be concluded;

(ii) the date of receipt of the order of the Central Excise Officer determining the amount of service tax under sub-section (2) of section 73, the penalty payable shall be twenty-five per cent. of the penalty imposed in that order, only if such reduced penalty is also paid within such period.

(2) Where the amount of penalty is increased by the Commissioner (Appeals), the Appellate Tribunal or the court, as the case may be, over the above the amount as determined under sub-section (2) of section 73, the time within which the reduced penalty is payable under clause (ii) of the proviso to sub-section (1) in relation to such increased amount of penalty shall be counted from the date of the order of the Commissioner (Appeals), the Appellate Tribunal or the court, as the case may be.”.

114. For section 78 of the 1994 Act, the following section shall be substituted, namely:—

Substitution of
new section
for section 78.

“78. (1) Where any service tax has not been levied or paid, or has been short-levied or short-paid, or erroneously refunded, by reason of fraud or collusion or wilful mis-statement or suppression of facts or contravention of any of the provisions of this Chapter or of the rules made thereunder with the intent to evade payment of service tax, the person who has been served notice under the proviso to sub-section (1) of section 73 shall, in addition to the service tax and interest specified in the notice, be also liable to pay a penalty which shall be equal to hundred per cent. of the amount of such service tax:

Penalty for
failure to pay
service tax for
reasons of
fraud, etc.

Provided that in respect of the cases where the details relating to such transactions are recorded in the specified records for the period beginning with the 8th April, 2011 upto the date on which the Finance Bill, 2015 receives the assent of the President (both days inclusive), the penalty shall be fifty per cent. of the service tax so determined:

Provided further that where service tax and interest is paid within a period of thirty days of —

(i) the date of service of notice under the proviso to sub-section (1) of section 73, the penalty payable shall be fifteen per cent. of such service tax and proceedings in respect of such service tax, interest and penalty shall be deemed to be concluded;

(ii) the date of receipt of the order of the Central Excise Officer determining the amount of service tax under sub-section (2) of section 73, the penalty payable shall be twenty-five per cent. of the service tax so determined:

Provided also that the benefit of reduced penalty under the second proviso shall be available only if the amount of such reduced penalty is also paid within such period:

Explanation.—For the purposes of this sub-section, “specified records” means records including computerised data as are required to be maintained by an assessee in accordance with any law for the time being in force or where there is no such requirement, the invoices recorded by the assessee in the books of accounts shall be considered as the specified records.

(2) Where the Commissioner (Appeals), the Appellate Tribunal or the court, as the case may be, modifies the amount of service tax determined under sub-section (2) of section 73, then the amount of penalty payable under sub-section (1) and the interest payable thereon under section 75 shall stand modified accordingly, and after taking into account the amount of service tax so modified, the person who is liable to pay such amount of service tax, shall also be liable to pay the amount of penalty and interest so modified.

(3) Where the amount of service tax or penalty is increased by the Commissioner (Appeals), the Appellate Tribunal or the court, as the case may be, over and above the amount as determined under sub-section (2) of section 73, the time within which the interest and the reduced penalty is payable under clause (ii) of the second proviso to sub-section (1) in relation to such increased amount of service tax shall be counted from the date of the order of the Commissioner (Appeals), the Appellate Tribunal or the court, as the case may be.

115. After section 78A of the 1994 Act, the following section shall be inserted, namely:—

Insertion of
new section
78B.

Transitory provisions.

“78B. (1) Where, in any case,—

(a) service tax has not been levied or paid or has been short-levied or short-paid or erroneously refunded and no notice has been served under sub-section (1) of section 73 or under the proviso thereto, before the date on which the Finance Bill, 2015 receives the assent of the President; or

(b) service tax has not been levied or paid or has been short-levied or short-paid or erroneously refunded and a notice has been served under sub-section (1) of section 73 or under the proviso thereto, but no order has been passed under sub-section (2) of section 73, before the date on which the Finance Bill, 2015 receives the assent of the President,

then, in respect of such cases, the provisions of section 76 or section 78, as the case may be, as amended by the Finance Act, 2015 shall be applicable.

(2) In cases where show cause notice has been issued under sub-section (1) of section 73 or under the proviso thereto, but no order has been passed under sub-section (2) of section 73 before the date on which the Finance Bill, 2015 receives the assent of the President, the period of thirty days for the purpose of closure of proceedings on the payment of service tax and interest under clause (i) of the proviso to sub-section (1) of section 76 or on the payment of service tax, interest and penalty under clause (i) of the second proviso to sub-section (1) of section 78, shall be counted from the date on which the Finance Bill, 2015 receives the assent of the President.”

Omission of section 80.

116. Section 80 of the 1994 Act shall be omitted.

1 of 1994.

Amendment of section 86.

117. In section 86 of the 1994 Act, in sub-section (1), —

1 of 1994.

(a) for the words “Any assessee”, the words “Save as otherwise provided herein, an assessee” shall be substituted;

(b) the following provisos shall be inserted, namely:—

“Provided that where an order, relating to a service which is exported, has been passed under section 85 and the matter relates to grant of rebate of service tax on input services, or rebate of duty paid on inputs, used in providing such service, such order shall be dealt with in accordance with the provisions of section 35EE of the Central Excise Act, 1944:

1 of 1944.

Provided further that all appeals filed before the Appellate Tribunal in respect of matters covered under the first proviso, after the coming into force of the Finance Act, 2012, and pending before it up to the date on which the Finance Bill, 2015 receives the assent of the President, shall be transferred and dealt with in accordance with the provisions of section 35EE of the Central Excise Act, 1944.”.

23 of 2012.

1 of 1944.

Amendment of section 94.

118. In section 94 of the 1994 Act, in sub-section (2), for clause (aa), the following clause shall be substituted, namely:—

“(aa) determination of the amount and value of taxable service, the manner thereof, and the circumstances and conditions under which an amount shall not be a consideration, under section 67;”.

CHAPTER VI

SWACHH BHARAT CESS

Swachh Bharat Cess.

119. (1) This Chapter shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

(2) There shall be levied and collected in accordance with the provisions of this Chapter, a cess to be called the Swachh Bharat Cess, as service tax on all or any of the taxable services at the rate of two per cent. on the value of such services for the purposes of financing and promoting Swachh Bharat initiatives or for any other purpose relating thereto.

32 of 1994

(3) The Swachh Bharat Cess leviable under sub-section (2) shall be in addition to any cess or service tax leviable on such taxable services under Chapter V of the Finance Act, 1994, or under any other law for the time being in force.

(4) The proceeds of the Swachh Bharat Cess levied under sub-section (2) shall first be credited to the Consolidated Fund of India and the Central Government may, after due appropriation made by Parliament by law in this behalf, utilise such sums of money of the Swachh Bharat Cess for such purposes specified in sub-section (2), as it may consider necessary.

(5) The provisions of Chapter V of the Finance Act, 1994 and the rules made thereunder, including those relating to refunds and exemptions from tax, interest and imposition of penalty shall, as far as may be, apply in relation to the levy and collection of the Swachh Bharat Cess on taxable services, as they apply in relation to the levy and collection of tax on such taxable services under Chapter V of the Finance Act, 1994 or the rules made thereunder, as the case may be.

CHAPTER VII

SENIOR CITIZENS' WELFARE FUND

PART I

PRELIMINARY

120. (1) This Chapter extends to the whole of India.

Extent and
commencement.

(2) This Chapter shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

121. In this Chapter, unless the context otherwise requires,—

Definitions.

(1) "Committee" means the Inter-Ministerial Committee constituted under section 123;

(2) "eligible interest" means an interest on the principal transferred to the Fund at the rate notified by the Central Government;

(3) "Financial Year" means the period commencing on the 1st day of April and ending on the 31st day of March every year;

(4) "Fund" means the Fund established under section 122;

(5) "inoperative account" means an account under any of the schemes specified by or under sub-section (2) of section 122 and not operated upon for a period of three years if operable on regular basis, or if there is a date of maturity, from the date of maturity, as the case may be;

(6) "Institution" means any bank, Post Office or any other institution notified by the Central Government which is holding the inoperative accounts having unclaimed amounts;

(7) "notification" means a notification published in the Official Gazette;

(8) "prescribed" means prescribed by rules made by the Central Government under this Chapter;

(9) "senior citizen" means a citizen of India who has attained the age of sixty years or above;

(10) "unclaimed amount" means the amount as referred to in sub-section (2) of section 122.

PART II

ESTABLISHMENT AND ADMINISTRATION OF THE FUND

Establishment of Fund.	<p>122. (1) The Central Government shall establish a Fund to be called the "Senior Citizens' Welfare Fund".</p> <p>(2) Any credit balance in any of the accounts under the following schemes remaining unclaimed for a period of seven years from the date of its declaration as an inoperative account shall be transferred by the respective Institutions holding them to the Fund.</p> <p>(a) Small Savings and other Savings Schemes of the Central Government with Post Offices and Banks authorised to operate such Schemes;</p> <p>(b) Accounts of Public Provident Fund under the Public Provident Fund Scheme, 1968 maintained by Institution; and</p> <p>(c) such other amounts, in any accounts or schemes as may be prescribed.</p> <p>(3) The Fund shall be utilised for promoting welfare of senior citizens and for such other purposes as may be prescribed.</p> <p>(4) The Central Government shall, from time to time, notify the eligible rate of interest for money lying in the Fund.</p>
Constitution of a Committee for administration of Fund.	<p>123. (1) The Central Government shall constitute, by notification, an Inter-Ministerial Committee for administration of the Fund consisting of a Chairperson and such other number of Members as the Central Government may appoint.</p> <p>(2) The manner of administration of the Fund, holding of meetings of the Committee, shall be in accordance with such rules as may be prescribed.</p> <p>(3) It shall be competent for the Committee to spend money out of the Fund for carrying out the objects specified in sub section (3) of section 122.</p>
Payment of claims.	<p>124. (1) Any person claiming to be entitled to the unclaimed amount transferred to the Fund may apply to the respective Institution with which the amount due was originally lying or deposited, at any time before the right to the amount is extinguished as provided in section 126.</p> <p>(2) The person making the application shall bear the onus of establishing his right to receive the amount to which the application relates.</p> <p>(3) The Institution shall consider the application as expeditiously as possible, and make payment along with the eligible interest, in any case, within sixty days of the receipt of the application.</p> <p>(4) Any payment under this section shall discharge the Institution from liability in respect of the amount credited to the Fund.</p> <p>(5) The interest payable, if any, on the money transferred to the Fund shall be determined and notified by the Central Government.</p>
Publication of information.	<p>125. (1) The Institution shall publish such information as is necessary and sufficient to give reasonable notice of the existence of the unclaimed amounts, before crediting the unclaimed amount to the Fund.</p> <p>(2) The Central Government may prescribe the method by which such information shall be published.</p>
Escheat to the Central Government.	<p>126. (1) Where no request or claim as specified in section 124 of this Chapter is made within a period of twenty-five years from the date of the credit of the unclaimed amount into the Fund, then, notwithstanding anything contrary contained in any other law for the</p>

time being in force, unless a Court otherwise orders, it shall escheat to the Central Government.

(2) The right of any person claiming to have an entitlement to the unclaimed amount shall subsist till the period specified under sub-section (1), and shall extinguish thereafter.

(3) Notwithstanding anything contained in sub-section (2), if, in any case, the Central Government is satisfied that there were genuine reasons which precluded a person from making a claim for refund in time, it may, on the recommendation of the Committee based on examination of facts, refund the money escheated to him.

(4) The Central Government may keep such escheated amount with the Fund for the purposes of the Fund.

PART III

ACCOUNTS AND AUDIT

127. (1) The Fund shall prepare, in such form and at such time for each financial year as may be prescribed, its annual report giving a full account of its activities during the financial year and forward a copy thereof to the Central Government. Reporting of accounts and audit.

(2) The accounts of the Fund shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and such audited accounts together with the audit report thereon shall be forwarded annually by the Institution to the Central Government.

(3) The Central Government shall cause the annual report and the audit report given by the Comptroller and Auditor-General of India to be laid before each House of Parliament.

PART IV

MISCELLANEOUS

128. (1) The Central Government may, by notification, make rules for carrying out the provisions of this Chapter. Power of Central Government to make rules.

(2) Without prejudice to the generality of the powers conferred by sub-section (1), such rules may provide for—

- (a) such other amounts referred to in clause (c) of sub-section (2) of section 122;
- (b) the utilisation of the Fund for the purposes under sub-section (3) of section 122;
- (c) the composition of the Committee for managing the Fund under sub-section (2) of section 123;
- (d) the manner of administration of the Fund and the procedure relating to holding of the meetings of the Committee under sub-section (2) of section 123;
- (e) the manner of giving notice to the public about the existence of the unclaimed amounts under sub-section (2) of section 125;
- (f) any other matter which is required to be, or may be, prescribed.

(3) Every rule made under this section, shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Power to exempt in certain cases.

129. The Central Government may, for reasons to be recorded in writing, exempt any unclaimed amount or institution or class of unclaimed amounts or institutions from any or all of the provisions of this Chapter, either generally or for such period as may be specified.

Power to remove difficulties.

130. (1) If any difficulty arises in giving effect to the provisions of this Chapter, the Central Government may by order, do anything not in consistent with the provisions of this Chapter for the purpose of removing such difficulty:

Provided that no such order shall be made under this section after the expiry of a period of two years from the commencement of this Chapter.

(2) Every order under this section shall be laid, as soon as may be after it is made, before each house of Parliament.

CHAPTER VIII

MISCELLANEOUS

PART I

AMENDMENTS TO THE FORWARD CONTRACTS (REGULATION) ACT, 1952

Commencement and amendment of Act 74 of 1952.

131. [A] The provisions of this Part shall come into force on such date as the Central Government may, by notification, appoint and different dates may be appointed for different provisions of this Part.

Insertion of new section 28A.

[B] In the Forward Contracts (Regulation) Act, 1952, (herein referred to as the Forward Contracts Act), after section 28, the following section shall be inserted, namely:—

74 of 1952.

Savings of recognised associations.

“28A.(1) All recognised associations under the Forward Contracts Regulation Act, shall be deemed to be recognised stock exchanges under the Securities Contracts (Regulation) Act, 1956 (herein referred to as the Securities Contracts Act):

42 of 1956.

“Provided that such deemed recognized stock exchanges shall not carry out any activity other than the activities of assisting, regulating or controlling the business of buying, selling or dealing in commodity derivatives till the said deemed recognized stock exchanges are specifically permitted by the Securities and Exchange Board of India:

Provided further that a person buying or selling or otherwise dealing in commodity derivatives as a commodity derivatives broker, or such other intermediary who may be associated with the commodity derivatives market, immediately before the transfer and vesting of rights and assets to the Securities and Exchange Board of India for which no registration certificate was necessary prior to such transfer, may continue to do so for a period of three months from such transfer or, if he has made an application for such registration within the said period of three months, till the disposal of such application.”.

(2) The Securities and Exchange Board of India (herein referred to as the Security Board) may provide such deemed exchanges, adequate time to comply with the Securities Contracts Act and any regulations, rules, guidelines or like instruments made under the said Act.

(3) The bye-laws, circulars, or any like instrument made by a recognised association under the Forward Contracts Act shall continue to be applicable for a period of one year from the date on which that Act is repealed, or till such time as notified by the Security Board, as if the Forward Contracts Act had not been repealed, whichever is earlier.

(4) All rules, directions, guidelines, instructions, circulars, or any like instruments, made by the Commission or the Central Government applicable to recognised associations under the Forward Contracts Act shall continue to remain in force for a period of one year from the date on which that Act is repealed, or till such time as notified by the Security Board, whichever is earlier, as if the Forward Contracts Act had not been repealed.

(5) In addition to the powers under the Securities Contracts Regulation Act, the Security Board and the Central Government shall exercise all powers of the Commission and the Central Government with respect to recognised associations, respectively, on such deemed exchanges, for a period of one year as if the Forward Contracts Act had not been repealed.”.

132. After section 29 of the Forward Contracts Act, the following sections shall be inserted, namely:—

Insertion of new sections 29A and 29B.

74 of 1952.

“29A.(1) The Forward Contracts (Regulation) Act, 1952 is hereby repealed.

Repeal and savings.

(2) On and from the date of repeal of Forward Contracts Act—

(a) the rules and regulations framed by the Central Government and the Commission under the Forward Contracts Act, shall stand repealed;

(b) all authorities and entities established by the Central Government under the Forward Contracts Act, including the Commission and the Advisory Council established under section 25 of that Act, shall stand dissolved;

(c) anything done or any action taken or purported to have been done or taken including any inspection, order, penalty, proceeding or notice made, initiated or issued or any confirmation or declaration made or any licence, permission, authorisation or exemption granted, modified or revoked, or any document or instrument executed, or any direction given under the Act repealed in sub-section (1), shall be continued or enforced by the Security Board, as if that Act had not been repealed;

(d) all offences committed, and existing proceedings with respect to offences which may have been committed under the Forward Contracts Act, shall continue to be governed by the provisions of that Act, as if that Act had not been repealed;

(e) a fresh proceeding related to an offence under the Forward Contracts Act, may be initiated by the Security Board under that Act within a period of three years from the date on which that Act is repealed and be proceeded with as if that Act had not been repealed;

(f) no court shall take cognizance of any offence under the Forward Contracts Act from the date on which that Act is repealed, except as provided in clauses (d) and (e);

10 of 1897.

(g) clauses (d), (e) and (f) shall not be held to or affect the general application of section 6 of the General Clauses Act, 1897 with regard to the effect of repeal to matters not covered under these sub-sections.

29B. (1) On the date on which the Forward Contracts Act is repealed, the undertaking shall be transferred, and vest with the Securities and Exchange Board of India.

Transfer and vesting of undertaking of Commission.

(2) If there is any existing proceeding or cause of action against the Commission in relation to the undertaking on the date on which the Forward Contracts Act is repealed, such proceeding or cause of action may be continued and enforced by or against the Security Board.

(3) The concessions, privileges, benefits and exemptions including any benefits and exemptions with regard to the payment of any tax, duty and cess granted to the Commission with respect to its undertaking shall be transferred to the Security Board on the date on which the Forward Contracts Act is repealed.

(4) Every employee holding any office (excluding members of the Commission) under the Commission immediately before the date on which the Forward Contracts Act is repealed, will hold office in the Central Government or the Security Board, as the Central Government may notify in the Official Gazette, for the same tenure and on the same terms and conditions of service as such employee would have held such office if the Commission had not been dissolved:

Provided that where the Central Government notifies that an employee of the Commission shall continue as an employee of the Central Government under the foregoing provision, the Central Government may, at the request of the Security Board, depute such employee to the Security Board, for a period not exceeding two years from the date on which the Forward Contracts Act is repealed.

(5) Within six months from the date on which the Forward Contracts Act is repealed, an employee of the Commission opting not to be an employee of the Central Government or the Security Board, as the case may be, shall communicate such decision to the Central Government or Security Board, as applicable.

(6) Nothing contained in any other law in force shall entitle any employee to any compensation for the loss of office due to the repeal of the Forward Contracts Act and the consequent dissolution of the Commission, and no such claim shall be entertained by any court, tribunal or other authority.

(7) The members of the Commission appointed by the Central Government under section 3 of the Forward Contracts Act, shall cease to hold office from the date the Forward Contracts Act is repealed.

(8) The members of the Commission shall not be entitled to any compensation for the loss of office due to the repeal of the Forward Contracts Act and the consequent dissolution of the Commission or for the premature termination of any contract of management entered into by such member with the Commission, and no such claim shall be entertained by any court, tribunal or other authority.

(9) The transfer and vesting of the undertaking shall not be liable to the payment of any stamp duty under the Indian Stamp Act, 1899 or any applicable stamp duties under state laws.” 2 of 1899.

PART II

AMENDMENTS TO THE SECURITIES CONTRACTS (REGULATION) ACT, 1956

Commencement
and
amendment of
Act 42 of
1956.

133. [A] The provisions of this Part shall come into force on such date as the Central Government may, by notification, appoint and different dates may be appointed for different provisions of this Part.

Amendment
of section 2.

[B] In the Securities Contracts (Regulation) Act, 1956 (herein referred to as the Securities Contracts Act), in section 2,— 42 of 1956.

(i) in clause (ac), after sub-clause (B), the following sub-clauses shall be inserted, namely:—

“(C) commodity derivatives; and

(D) such other instruments as may be declared by the Central Government to be derivatives;”;

(ii) after clause (b), the following clauses shall be inserted, namely:—

‘(bb) “goods” mean every kind of movable property other than actionable claims, money and securities;

(bc) “commodity derivative” means a contract –

(i) for the delivery of such goods, as may be notified by the Central Government in the Official Gazette, and which is not a ready delivery contract; or

(ii) for differences, which derives its value from prices or indices of prices of such underlying goods or activities, services, rights, interests and events, as may be notified by the Central Government, in consultation with the Board, but does not include securities as referred to in sub-clauses (A) and (B) of clause (ac);’;

(iii) after clause (c), the following clause shall be inserted, namely:—

‘(ca) “non-transferable specific delivery contract” means a specific delivery contract, the rights or liabilities under which or under any delivery order, railway receipt, bill of lading, warehouse receipt or any other documents of title relating thereto are not transferable;’;

(iv) after clause (e), the following clause shall be inserted, namely:—

‘(ea) “ready delivery contract” means a contract which provides for the delivery of goods and the payment of a price therefor, either immediately, or within such period not exceeding eleven days after the date of the contract and subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in respect of any goods, the period under such contract not being capable of extension by the mutual consent of the parties thereto or otherwise:

Provided that where any such contract is performed either wholly or in part;

(I) by realisation of any sum of money being the difference between the contract rate and the settlement rate or clearing rate or the rate of any offsetting contract; or

(II) by any other means whatsoever, and as a result of which the actual tendering of the goods covered by the contract or payment of the full price therefor is dispensed with, then such contract shall not be deemed to be a ready delivery contract;’;

(v) after clause (h), the following clause shall be inserted, namely:—

‘(ha) “specific delivery contract” means a commodity derivative which provides for the actual delivery of specific qualities or types of goods during a specified future period at a price fixed thereby or to be fixed in the manner thereby agreed and in which the names of both the buyer and the seller are mentioned;’;

(vi) after clause (j), the following clause shall be inserted, namely:—

‘(k) “transferable specific delivery contract” means a specific delivery contract which is not a non-transferable specific delivery contract and which is subject to such conditions relating to its transferability as the Central Government may by notification in the Official Gazette, specify in this behalf.’.

Amendment
of section
18A.

134. In section 18A of the Securities Contracts Act,—

(i) in clause (b), for the words “stock exchange,”, the words “stock exchange; or” shall be substituted;

(ii) after clause (b) as so amended, and after the long line, the following clause shall be inserted, namely:—

“(c) between such parties and on such terms as the Central Government may, by notification in the Official Gazette, specify.”.

Insertion of
new section
30A.

135. After section 30 of the Securities Contracts Act, the following section shall be inserted, namely:—

Special
provisions
related to
commodity
derivatives.

“30A. (1) Nothing contained in this Act shall apply to non-transferable specific delivery contracts:

Provided that no person shall organise or assist in organising or be a member of any association in any area to which the provisions of section 13 have been made applicable (other than a stock exchange) which provides facilities for the performance of any non-transferable specific delivery contract by any party thereto without having to make or receive actual delivery to or from the other party to the contract or to or from any other party named in the contract.

(2) Where in respect of any area, the provisions of section 13 have been made applicable in relation to commodity derivatives for the sale or purchase of any goods or class of goods, the Central Government may, by notification, declare that in the said area or any part thereof as may be specified in the notification all or any of the provisions of this Act shall not apply to transferable specific delivery contracts for the sale or purchase of the said goods or class of goods either generally, or to any class of such contracts in particular.

(3) Notwithstanding anything contained in sub-section (1), if the Central Government is of the opinion that in the interest of the trade or in the public interest it is expedient to regulate and control non-transferable specific delivery contracts in any area, it may, by notification in the Official Gazette, declare that all or any of the provisions of this Act shall apply to such class or classes of non-transferable specific delivery contracts in such area in respect of such goods or class of goods as may be specified in the notification, and may also specify the manner in which and the extent to which all or any of the said provisions shall so apply.”.

PART III

AMENDMENT TO THE FINANCE (NO. 2) ACT, 1998

Amendment
of Second
Schedule.

136. In the Finance (No.2) Act, 1998, in the Second Schedule, for the entry in column (3), the entry “Rupees eight per litre” shall be substituted. 21 of 1998.

PART IV

AMENDMENT TO THE FINANCE ACT, 1999

Amendment
of Second
Schedule.

137. In the Finance Act, 1999, in the Second Schedule, for the entry in column (3), the entry “Rupees eight per litre” shall be substituted. 27 of 1999.

PART V

AMENDMENTS TO THE FOREIGN EXCHANGE MANAGEMENT ACT, 1999

Commencement
and
amendment of
Act 42 of
1999.

138. [A] The provisions of this Part shall come into force on such date as the Central Government may, by notification, appoint and different dates may be appointed for different provisions of this Part.

42 of 1999.

[B] In the Foreign Exchange Management Act, 1999 (herein referred to as the Foreign Exchange Act), in section 2,—

Amendment
of section 2.

(i) after clause (c), the following clause shall be inserted, namely:—

“(cc) “Authorised Officer” means an officer of the Directorate of Enforcement authorised by the Central Government under section 37A;”;

(ii) after clause (g), the following clause shall be inserted, namely:—

“(gg) “Competent Authority” means the Authority appointed by the Central Government under sub-section (2) of section 37A;”.

139. In section 6 of the Foreign Exchange Act,—

Amendment
of section 6.

(A) in sub-section (2),—

(i) for clause (a), the following clause shall be substituted, namely:—

“(a) any class or classes of capital account transactions, involving debt instruments, which are permissible;”;

(ii) after clause (b), the following clause shall be inserted, namely:—

“(c) any conditions which may be placed on such transactions;”;

(iii) for the proviso, the following proviso shall be substituted, namely:—

“Provided that the Reserve Bank or the Central Government shall not impose any restrictions on the drawal of foreign exchange for payment due on account of amortisation of loans or for depreciation of direct investments in the ordinary course of business.”;

(B) after sub-section (2), the following sub-section shall be inserted, namely:—

“(2A) The Central Government may, in consultation with the Reserve Bank, prescribe—

(a) any class or classes of capital account transactions, not involving debt instruments, which are permissible;

(b) the limit up to which foreign exchange shall be admissible for such transactions; and

(c) any conditions which may be placed on such transactions.”;

(C) sub-section (3) shall be omitted;

(D) after sub-section (6), the following sub-section shall be inserted, namely:—

“(7) For the purposes of this section, the term “debt instruments” shall mean, such instruments as may be determined by the Central Government in consultation with the Reserve Bank.”.

140. In section 13 of the Foreign Exchange Act, after sub-section (I), the following sub-sections shall be inserted, namely:—

Amendment
of section 13.

“(1A) If any person is found to have acquired any foreign exchange, foreign security or immovable property, situated outside India, of the aggregate value exceeding the threshold prescribed under the proviso to sub-section (I) of section 37A, he shall be liable to a penalty up to three times the sum involved in such contravention and confiscation of the value equivalent, situated in India, the Foreign exchange, foreign security or immovable property.

(1B) If the Adjudicating Authority, in a proceeding under sub-section (1A) deems fits, he may, after recording the reasons in writing, recommend for the initiation of

prosecution and if the Director of Enforcement is satisfied, he may, after recording the reasons in writing, may direct prosecution by filing a Criminal Complaint against the guilty person by an officer not below the rank of Assistant Director.

(IC) If any person is found to have acquired any foreign exchange, foreign security or immovable property, situated outside India, of the aggregate value exceeding the threshold prescribed under the proviso to sub-section (I) of section 37A, he shall be, in addition to the penalty imposed under sub-section (IA), punishable with imprisonment for a term which may extend to five years and with fine.

(ID) No court shall take cognizance of an offence under sub-section (IC) of section 13 except as on complaint in writing by an officer not below the rank of Assistant Director referred to in sub-section (IB)."

Amendment
of section 18.

141. In section 18 of the Foreign Exchange Act, after the words "Adjudicating Authorities", the words "Competent Authorities" shall be inserted.

Insertion of
new section
37A.

142. After section 37 of the Foreign Exchange Act, the following section shall be inserted, namely:—

Special
provisions
relating to
assets held
outside India
in
contravention
of section 4.

"37A. (I) Upon receipt of any information or otherwise, if the Authorised Officer prescribed by the Central Government has reason to believe that any foreign exchange, foreign security, or any immovable property, situated outside India, is suspected to have been held in contravention of section 4, he may after recording the reasons in writing, by an order, seize value equivalent, situated within India, of such foreign exchange, foreign security or immovable property:

Provided that no such seizure shall be made in case where the aggregate value of such foreign exchange, foreign security or any immovable property, situated outside India, is less than the value as may be prescribed.

(2) The order of seizure along with relevant material shall be placed before the Competent Authority, appointed by the Central Government, who shall be an officer not below the rank of Joint Secretary to the Government of India by the Authorised Officer within a period of thirty days from the date of such seizure.

(3) The Competent Authority shall dispose of the petition within a period of one hundred eighty days from the date of seizure by either confirming or by setting aside such order, after giving an opportunity of being heard to the representatives of the Directorate of Enforcement and the aggrieved person.

Explanation.— While computing the period of one hundred eighty days, the period of stay granted by court shall be excluded and a further period of at least thirty days shall be granted from the date of communication of vacation of such stay order.

(4) The order of the Competent Authority confirming seizure of equivalent asset shall continue till the disposal of adjudication proceedings and thereafter, the Adjudicating Authority shall pass appropriate directions in the adjudication order with regard to further action as regards the seizure made under sub-section (I):

Provided that if, at any stage of the proceedings under this Act, the aggrieved person discloses the fact of such foreign exchange, foreign security or immovable property and brings back the same into India, then the Competent Authority or the Adjudicating Authority, as the case may be, on receipt of an application in this regard from the aggrieved person, and after affording an opportunity of being heard to the aggrieved person and representatives of the Directorate of Enforcement, shall pass an appropriate order as it deems fit, including setting aside of the seizure made under sub-section (I).

(5) Any person aggrieved by any order passed by the Competent Authority may prefer an appeal to the Appellate Tribunal.

(6) Nothing contained in section 15 shall apply to this section."

143. In section 46 of the Foreign Exchange Act, in sub-section (2),—

Amendment
of section 46.

(i) after clause (a), the following clauses shall be inserted, namely:—

“(aa) the instruments which are determined to be debt instruments under sub-section (7) of section 6;

(ab) the permissible classes of capital account transactions in accordance with sub-section (2A) of section 6, the limits of admissibility of foreign exchange, and the prohibition, restriction or regulation of such transactions;”;

(ii) after clause (g), the following clause shall be inserted, namely:—

“(gg) the aggregate value of foreign exchange referred to in sub-section (I) of section 37A;”.

144. In section 47 of the Foreign Exchange Act,—

Amendment
of section 47.

(A) in sub-section (2),—

(i) for clause (a), the following clause shall be substituted, namely:—

“(a) the permissible classes of capital account transactions involving debt instruments determined under sub-section (7) of section 6, the limits of admissibility of foreign exchange for such transactions, and the prohibition, restriction or regulation of such capital account transactions under section 6;”;

(ii) after clause (g), the following clause shall be inserted, namely:—

“(ga) export, import or holding of currency or currency notes;”;

(B) after sub-section (2), the following sub-section shall be inserted, namely:—

“(3) All regulations made by the Reserve Bank before the date on which the provisions of this section are notified under section 6 and section 47 of this Act on capital account transactions, the regulation making power in respect of which now vests with the Central Government, shall continue to be valid, until amended or rescinded by the Central Government.”.

PART VI

AMENDMENTS TO THE PREVENTION OF MONEY-LAUNDERING ACT, 2002

15 of 2003.

145. In the Prevention of Money-laundering Act, 2002 (herein referred to as the Money-laundering Act), in section 2, in sub-section (1),—

Amendment
of section 2.

(i) in clause (u), after the words “or the value of any such property”, the words “or where such property is taken or held outside the country, then the property equivalent in value held within the country” shall be inserted;

(ii) in clause (y), in sub-clause (ii), for the words “thirty lakh rupees”, the words “one crore rupees” shall be substituted.

146. In section 5 of the Money-laundering Act, in sub-section (1), in the second proviso, for the word, brackets and letter “clause (b)”, the words “first proviso” shall be substituted.

Amendment
of section 5.

147. In section 8 of the Money-laundering Act,—

Amendment
of section 8.

(i) in sub-section (3), in clause (b), for the words “Adjudicating Authority”, the words “Special Court” shall be substituted;

(ii) after sub-section (7), the following sub-section shall be inserted, namely:—

“(8) Where a property stands confiscated to the Central Government under sub-section (5), the Special Court, in such manner as may be prescribed, may also direct the Central Government to restore such confiscated property or part thereof of a claimant with a legitimate interest in the property, who may have suffered a quantifiable loss as a result of the offence of money laundering:

Provided that the Special Court shall not consider such claim unless it is satisfied that the claimant has acted in good faith and has suffered the loss despite having taken all reasonable precautions and is not involved in the offence of money laundering.”.

Amendment
of section 20.

148. In section 20 of the Money-laundering Act,—

(i) in sub-section (5), for the words “the Court or the Adjudicating Authority, as the case may be”, the words “Special Court” shall be substituted;

(ii) in sub-section (6),—

(a) for the word “Court”, the words “Special Court” shall be substituted;

(b) after the words “ninety days from the date of”, the words “receipt of” shall be inserted.

Amendment
of section 21.

149. In section 21 of the Money-laundering Act,—

(i) in sub-section (5), for the words, brackets and figures “under sub-section (5) or sub-section (7) of section 8”, the words, brackets, figures and letters “or release under sub-section (5) or sub-section (6) or sub-section (7) of section 8 or section 58B or sub-section (2A) of section 60” shall be substituted;

(ii) in sub-section (6), —

(a) for the words, brackets, figures and letters “under sub-section (6) of section 8 or by the Adjudicating Authority under section 58B or sub-section (2A) of section 60”, the words, brackets and figures “Adjudicating Authority under sub-section (5) of section 21” shall be substituted;

(b) after the words “ninety days from the date of”, the words “receipt of” shall be inserted.

Amendment
of section 60.

150. In section 60 of the Money-laundering Act, in sub-section (2A), for the words “Adjudicating Authority”, the words “Special Court” shall be substituted.

Amendment
of Schedule.

151. In the Schedule to the Money-laundering Act, after Part A, the following Part shall be inserted, namely:—

“PART B

OFFENCE UNDER THE CUSTOMS ACT, 1962

Section	Description of offence
132	False declaration, false documents, etc.”.

PART VII

AMENDMENT TO THE FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT ACT, 2003

Amendment
of section 4.

152. In the Fiscal Responsibility and Budget Management Act, 2003, in section 4, for the figures, letters and word “31st March, 2015”, wherever they occur, the figures, letters and word “31st March, 2018” shall be substituted. 39 of 2003.

PART VIII

AMENDMENTS TO THE FINANCE (NO. 2) ACT, 2004

23 of 2004.

153. In the Finance (No. 2) Act, 2004 (herein referred to as 2004 Act), in Chapter VI, section 95 shall be omitted with effect from such date as the Central Government may, by notification in the Official Gazette, appoint.

Omission of section 95.

154. In section 97 of the 2004 Act, with effect from the 1st day of June, 2015,—

Amendment of section 97.

(i) after clause (5A), the following clause shall be inserted, namely:—

‘(5AA) “initial offer” shall have the meaning assigned to it in,—

15 of 1992.

(i) clause (q) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 made under the Securities and Exchange Board of India Act, 1992, in case of a business trust, being a real estate investment trust;

15 of 1992.

(ii) clause (v) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 made under the Securities and Exchange Board of India Act, 1992, in case of a business trust, being an infrastructure investment trust;’;

(ii) in clause (13), after sub-clause (aa), the following sub-clause shall be inserted, namely:—

43 of 1961.

“(ab) sale of unlisted units of a business trust by any holder of such units which were acquired in consideration of a transfer referred to in clause (xvii) of section 47 of the Income-tax Act, 1961 under an offer for sale to the public included in an initial offer and where such units are subsequently listed on a recognised stock exchange; or”.

155. In section 98 of the 2004 Act, in the Table, after serial number 6 and entries relating thereto, the following serial number and entries shall be inserted, namely:—

Amendment of section 98.

Sl. No.	Taxable securities transaction	Rate	Payable by
1	2	3	4
“7	Sale of unlisted units of a business trust under an offer for sale referred to in sub-clause (ab) of clause (13) of section 97.	0.2 per cent.	Seller”;

156. In section 100 of the 2004 Act,—

Amendment of section 100.

(i) after sub-section (2A), the following sub-section shall be inserted, namely:—

“(2B) The lead merchant banker appointed by the business trust in respect of an initial offer shall collect the securities transaction tax from every person who enters into a taxable securities transaction referred to in sub-clause (ab) of clause (13) of section 97 at the rates specified in section 98.”;

(ii) in sub-section (3),—

(A) after the word, brackets, figure and letter “sub-section (2A)”, the words, brackets, figure and letter “or sub-section (2B)” shall be inserted;

(B) after the words “an initial public offer”, the words “or an initial offer” shall be inserted;

(iii) in sub-section (4), after the words “an initial public offer”, the words “or an initial offer” shall be inserted.

Amendment
of section
101.

157. In section 101 of the 2004 Act, in sub-section (1),—

(A) after the words “an initial public offer”, the words “or an initial offer” shall be inserted;

(B) for the words “being sale of units to such Mutual Fund during such financial year” occurring at the end, the words “during such financial year, being sale of units to such Mutual Fund or sale of unlisted shares under an initial public offer or sale of unlisted units of business trust under an initial offer, in respect of which such lead merchant banker is appointed” shall be substituted.

PART IX

AMENDMENT TO THE FINANCE ACT, 2005

Amendment
of Seventh
Schedule.

158. In the Finance Act, 2005, in the Seventh Schedule, the sub-heading 2202 10 and the entries relating thereto shall be omitted. 18 of 2005.

PART X

AMENDMENT TO THE FINANCE ACT, 2007

Omission of
section 140.

159. In the Finance Act, 2007, in Chapter VI, section 140 shall be omitted with effect from such date as the Central Government may, by notification in the Official Gazette, appoint. 22 of 2007.

PART XI

AMENDMENT TO THE FINANCE ACT, 2010

Amendment
of Tenth
Schedule.

160. In the Finance Act, 2010, in the Tenth Schedule, for the entry in column (4) occurring against all the headings, the entry “Rs. 300 per tonne” shall be substituted. 14 of 2010.

THE FIRST SCHEDULE

(See section 2)

PART I

INCOME-TAX

Paragraph A

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of income-tax

- | | |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| (1) where the total income does not exceed Rs. 2,50,000 | Nil; |
| (2) where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000 | 10 per cent. of the amount by which the total income exceeds Rs. 2,50,000; |
| (3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | Rs. 25,000 plus 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000; |
| (4) where the total income exceeds Rs. 10,00,000 | Rs. 1,25,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000. |

(II) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,—

Rates of income-tax

- | | |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| (1) where the total income does not exceed Rs. 3,00,000 | Nil; |
| (2) where the total income exceeds Rs. 3,00,000 but does not exceed Rs. 5,00,000 | 10 per cent. of the amount by which the total income exceeds Rs. 3,00,000; |
| (3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | Rs. 20,000 plus 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000; |
| (4) where the total income exceeds Rs. 10,00,000 | Rs. 1,20,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000. |

(III) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

Rates of income-tax

- | | |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| (1) where the total income does not exceed Rs. 5,00,000 | Nil; |
| (2) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000; |
| (3) where the total income exceeds Rs. 10,00,000 | Rs. 1,00,000 plus 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000. |

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of ten per cent. of such income-tax:

Provided that in the case of persons mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

- | | | |
|-----|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| (1) | where the total income does not exceed Rs.10,000 | 10 per cent. of the total income; |
| (2) | where the total income exceeds Rs.10,000 but does not exceed Rs. 20,000 | Rs.1,000 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs.10,000; |
| (3) | where the total income exceeds Rs. 20,000 | Rs. 3,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 20,000. |

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every co-operative society, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of ten per cent. of such income-tax:

Provided that in the case of every co-operative society mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of ten per cent. of such income-tax:

Provided that in the case of every firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of ten per cent. of such income-tax:

Provided that in the case of every local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph E

In the case of a company,—

Rates of income-tax

- | | |
|--------------------------------------|-----------------------------------|
| I. In the case of a domestic company | 30 per cent. of the total income; |
|--------------------------------------|-----------------------------------|

II. In the case of a company other than a domestic company—

(i) on so much of the total income as consists of,—

(a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government 50 per cent.;

(ii) on the balance, if any, of the total income 40 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every company, be increased by a surcharge for the purposes of the Union calculated,—

(i) in the case of every domestic company—

(a) having a total income exceeding one crore rupees, but not exceeding ten crore rupees, at the rate of five per cent. of such income-tax; and

(b) having a total income exceeding ten crore rupees, at the rate of ten per cent. of such income-tax;

(ii) in the case of every company other than a domestic company—

(a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of two per cent. of such income-tax; and

(b) having a total income exceeding ten crore rupees, at the rate of five per cent. of such income-tax:

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

PART II

RATES FOR DEDUCTION OF TAX AT SOURCE IN CERTAIN CASES

In every case in which under the provisions of sections 193, 194, 194A, 194B, 194BB, 194D, 194LBA and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to the deduction at the following rates:—

	<i>Rate of income-tax</i>
1. In the case of a person other than a company—	
(a) where the person is resident in India—	
(i) on income by way of interest other than "Interest on securities"	10 per cent.;
(ii) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent.;
(iii) on income by way of winnings from horse races	30 per cent.;
(iv) on income by way of insurance commission	10 per cent.;
(v) on income by way of interest payable on—	10 per cent.;
(A) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act;	
(B) any debentures issued by a company where such debentures are listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and any rules made thereunder;	

	<i>Rate of income-tax</i>
(C) any security of the Central or State Government;	
(vi) on any other income	10 per cent.;
(b) where the person is not resident in India—	
(i) in the case of a non-resident Indian—	
(A) on any investment income	20 per cent.;
(B) on income by way of long-term capital gains referred to in section 115E or sub-clause (iii) of clause (c) of sub-section (I) of section 112	10 per cent.;
(C) on income by way of short-term capital gains referred to in section 111A	15 per cent.;
(D) on income by way of other long-term capital gains [not being long-term capital gains referred to in clauses (33), (36) and (38) of section 10]	20 per cent.;
(E) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC)	20 per cent.;
(F) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (IA) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (IA) of section 115A of the Income-tax Act, to a person resident in India	10 per cent.;
(G) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(i)(F)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	10 per cent.;
(H) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	10 per cent.;
(I) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent.;
(J) on income by way of winnings from horse races	30 per cent.;
(K) on the whole of the other income	30 per cent.;
(ii) in the case of any other person—	
(A) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC)	20 per cent.;
(B) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (IA) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (IA) of section 115A of the Income-tax Act, to a person resident in India	10 per cent.;
(C) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(ii)(B)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter	10 per cent.;

	<i>Rate of income-tax</i>
included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	
(D) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	10 per cent.;
(E) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent.;
(F) on income by way of winnings from horse races	30 per cent.;
(G) on income by way of short-term capital gains referred to in section 111A	15 per cent.;
(H) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (I) of section 112	10 per cent.;
(I) on income by way of other long-term capital gains [not being long-term capital gains referred to in clauses (33), (36) and (38) of section 10]	20 per cent.;
(J) on the whole of the other income	30 per cent.
2. In the case of a company—	
(a) where the company is a domestic company—	
(i) on income by way of interest other than "Interest on securities"	10 per cent.;
(ii) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent.;
(iii) on income by way of winnings from horse races	30 per cent.;
(iv) on any other income	10 per cent.;
(b) where the company is not a domestic company—	
(i) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent.;
(ii) on income by way of winnings from horse races	30 per cent.;
(iii) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC)	20 per cent.;
(iv) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1976 where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (IA) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (IA) of section 115A of the Income-tax Act, to a person resident in India	10 per cent.;
(v) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(iv)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—	
(A) where the agreement is made after the 31st day of March, 1961 but before the 1st day of April, 1976	50 per cent.;
(B) where the agreement is made after the 31st day of March, 1976	10 per cent.;
(vi) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved	

	<i>Rate of income-tax</i>
by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—	
(A) where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976	50 per cent.;
(B) where the agreement is made after the 31st day of March, 1976	10 per cent.;
(vii) on income by way of short-term capital gains referred to in section 111A	15 per cent.;
(viii) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (J) of section 112	10 per cent.;
(ix) on income by way of other long-term capital gains [not being long-term capital gains referred to in clauses (33), (36) and (38) of section 10]	20 per cent.;
(x) on any other income	40 per cent.

Explanation.— For the purpose of item 1(b)(i) of this Part, “investment income” and “non-resident Indian” shall have the meanings assigned to them in Chapter XII-A of the Income-tax Act.

Surcharge on income-tax

The amount of income-tax deducted in accordance with the provisions of—

(i) item 1 of this Part, shall be increased by a surcharge, for purposes of the Union, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act or co-operative society or firm or local authority, being a non-resident, calculated at the rate of twelve per cent. of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees;

(ii) item 2 of this Part, shall be increased by a surcharge, for purposes of the Union, in the case of every company other than a domestic company, calculated,—

(a) at the rate of two per cent. of such income-tax where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed ten crore rupees; and

(b) at the rate of five per cent. of such income-tax where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ten crore rupees.

PART III

RATES FOR CHARGING INCOME-TAX IN CERTAIN CASES, DEDUCTING INCOME-TAX FROM INCOME CHARGEABLE UNDER THE HEAD “SALARIES” AND COMPUTING “ADVANCE TAX”

In cases in which income-tax has to be charged under sub-section (4) of section 172 of the Income-tax Act or sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the said Act or deducted from, or paid on, income chargeable under the head “Salaries” under section 192 of the said Act or in which the “advance tax” payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, “advance tax” [not being “advance tax” in respect of any income chargeable to tax under Chapter XII or Chapter XII-A or income chargeable to tax under section 115JB or section 115JC or Chapter XII-FA or Chapter XII-FB or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act at the rates as specified in that Chapter or section or surcharge, wherever applicable, on such “advance tax” in respect of any income chargeable to tax under section 115A or section 115AB or section 115AC or section 115ACA or section 115AD or section 115B or section 115BB or section 115BBA or section 115BBC or section 115BBD or section 115BBE or section 115E or section 115JB or section 115JC] shall be charged, deducted or computed at the following rate or rates:—

Paragraph A

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of Income-tax

(1)	where the total income does not exceed Rs. 2,50,000	<i>Nil</i> ;
(2)	where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000	10 per cent. of the amount by which the total income exceeds Rs. 2,50,000;
(3)	where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000	Rs. 25,000 plus 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;

- (4) where the total income exceeds Rs. 10,00,000 Rs. 1,25,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

\(II) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,—

Rates of income-tax

- (1) where the total income does not exceed Rs. 3,00,000 Nil;
- (2) where the total income exceeds Rs. 3,00,000 but does not exceed Rs. 5,00,000 10 per cent. of the amount by which the total income exceeds Rs. 3,00,000;
- (3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 Rs. 20,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
- (4) where the total income exceeds Rs. 10,00,000 Rs. 1,20,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

(III) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

Rates of income-tax

- (1) where the total income does not exceed Rs. 5,00,000 Nil;
- (2) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000;
- (3) where the total income exceeds Rs. 10,00,000 Rs. 1,00,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, having a total income exceeding one crore rupees, be increased by a surcharge for the purpose of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of persons mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

- (1) where the total income does not exceed Rs. 10,000 10 per cent. of the total income;
- (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000 Rs. 1,000 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 10,000;
- (3) where the total income exceeds Rs. 20,000 Rs. 3,000 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every co-operative society, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every co-operative society mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph C

In the case of every firm,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 30 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of twelve per cent. of such income-tax:

Provided that in the case of every local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company 30 per cent. of the total income;

II. In the case of a company other than a domestic company—

(i) on so much of the total income as consists of,—

(a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government 50 per cent.;

(ii) on the balance, if any, of the total income 40 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or the provisions of section 111A or section 112 of the Income-tax Act, shall, be increased by a surcharge for the purposes of the Union calculated,—

(i) in the case of every domestic company,—

(a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of seven per cent. of such income-tax; and

(b) having a total income exceeding ten crore rupees, at the rate of twelve per cent. of such income-tax;

(ii) in the case of every company other than a domestic company,—

(a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of two per cent. of such income-tax; and

(b) having a total income exceeding ten crore rupees, at the rate of five per cent. of such income-tax:

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees:

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

PART IV

[See section 2(13)(c)]

RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME

Rule 1.—Agricultural income of the nature referred to in sub-clause (a) of clause (1A) of section 2 of the Income-tax Act shall be computed as if it were income chargeable to income-tax under that Act under the head "Income from other sources" and the provisions of sections 57 to 59 of that Act shall, so far as may be, apply accordingly:

Provided that sub-section (2) of section 58 shall apply subject to the modification that the reference to section 40A therein shall be construed as not including a reference to sub-sections (3) and (4) of section 40A.

Rule 2.—Agricultural income of the nature referred to in sub-clause (b) or sub-clause (c) of clause (1A) of section 2 of the Income-tax Act [other than income derived from any building required as a dwelling-house by the receiver of the rent or revenue of the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c)] shall be computed as if it were income chargeable to income-tax under that Act under the head "Profits and gains of business or profession" and the provisions of sections 30, 31, 32, 36, 37, 38, 40, 40A [other than sub-sections (3) and (4) thereof], 41, 43, 43A, 43B and 43C of the Income-tax Act shall, so far as may be, apply accordingly.

Rule 3.—Agricultural income of the nature referred to in sub-clause (c) of clause (1A) of section 2 of the Income-tax Act, being income derived from any building required as a dwelling-house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c) shall be computed as if it were income chargeable to income-tax under that Act under the head "Income from house property" and the provisions of sections 23 to 27 of that Act shall, so far as may be, apply accordingly.

Rule 4.—Notwithstanding anything contained in any other provisions of these rules, in a case—

(a) where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed in accordance with rule 8 of the Income-tax Rules, 1962, and sixty per cent. of such income shall be regarded as the agricultural income of the assessee;

(b) where the assessee derives income from sale of centrifuged latex or cenex or latex based crepes (such as pale latex crepe) or brown crepes (such as estate brown crepe, re-milled crepe, smoked blanket crepe or flat bark crepe) or technically specified block rubbers manufactured or processed by him from rubber plants grown by him in India, such income shall be computed in accordance with rule 7A of the Income-tax Rules, 1962, and sixty-five per cent. of such income shall be regarded as the agricultural income of the assessee;

(c) where the assessee derives income from sale of coffee grown and manufactured by him in India, such income shall be computed in accordance with rule 7B of the Income-tax Rules, 1962, and sixty per cent. or seventy-five per cent., as the case may be, of such income shall be regarded as the agricultural income of the assessee.

Rule 5.—Where the assessee is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income then, the agricultural income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 6.—Where the result of the computation for the previous year in respect of any source of agricultural income is a loss, such loss shall be set off against the income of the assessee, if any, for that previous year from any other source of agricultural income:

Provided that where the assessee is a member of an association of persons or a body of individuals and the share of the assessee in the agricultural income of the association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

Rule 7.—Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income.

Rule 8.—(1) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2015, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 2007 or the 1st day of April, 2008 or the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014, is a loss, then, for the purposes of sub-section (2) of section 2 of this Act,—

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2007, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2008 or the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2008, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2009, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2010, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2011, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2012, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2013 or the 1st day of April, 2014,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2013, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2014,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2014,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2015.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2016, or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 2008 or the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015, is a loss, then, for the purposes of sub-section (10) of section 2 of this Act,—

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2008, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2009, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2010, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2011, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2012, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2013 or the 1st day of April, 2014 or the 1st day of April, 2015,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2013, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2014 or the 1st day of April, 2015,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2014, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2015,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2015,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2016.

(3) Where any person deriving any agricultural income from any source has been succeeded in such capacity by another person, otherwise than by inheritance, nothing in sub-rule (1) or sub-rule (2) shall entitle any person, other than the person incurring the loss, to have it set off under sub-rule (1) or, as the case may be, sub-rule (2).

(4) Notwithstanding anything contained in this rule, no loss which has not been determined by the Assessing Officer under the provisions of these rules or the rules contained in the First Schedule to the Finance Act, 2007 (22 of 2007) or of the First Schedule to the Finance Act, 2008 (18 of 2008) or of the First Schedule to the Finance (No. 2) Act, 2009 (33 of 2009) or of the First Schedule to the Finance Act, 2010 (14 of 2010) or of the First Schedule to the Finance Act, 2011 (8 of 2011) or of the First Schedule to the Finance Act, 2012 (23 of 2012) or of the First Schedule to the Finance Act, 2013 (17 of 2013) or of the First Schedule to the Finance (No. 2) Act, 2014 (25 of 2014) shall be set off under sub-rule (1) or, as the case may be, sub-rule (2).

Rule 9.—Where the net result of the computation made in accordance with these rules is a loss, the loss so computed shall be ignored and the net agricultural income shall be deemed to be *nil*.

Rule 10.—The provisions of the Income-tax Act relating to procedure for assessment (including the provisions of section 288A relating to rounding off of income) shall, with the necessary modifications, apply in relation to the computation of the net agricultural income of the assessee as they apply in relation to the assessment of the total income.

Rule 11.—For the purposes of computing the net agricultural income of the assessee, the Assessing Officer shall have the same powers as he has under the Income-tax Act for the purposes of assessment of the total income.

THE SECOND SCHEDULE

(See section 91)

In the First Schedule to the Customs Tariff Act,—

- (1) in Chapter 27, for the entry in column (4), occurring against tariff item 2701 12 00, the entry “10%” shall be substituted;
- (2) in Chapter 72, for the entry in column (4) occurring against all the tariff items, the entry “15%” shall be substituted;
- (3) in Chapter 73, for the entry in column (4) occurring against all the tariff items, the entry “15%” shall be substituted;
- (4) in Chapter 87, for the entry in column (4) occurring against all the tariff items of headings 8702 and 8704, the entry “40%” shall be substituted.

THE THIRD SCHEDULE

(See section 104)

Notification No. and date	Amendment					Period of effect of amendment
(1)	(2)					(3)
G.S.R.163(E), dated the 17th March, 2012[12/2012-Central Excise, dated the 17th March, 2012] as amended vide G.S.R.75(E), dated the 3rd February, 2014 [03/2014-Central Excise, dated the 3rd February, 2014]	In the said notification, in the Table, after serial number 205 and the entries relating thereto, the following serial number and entries shall be inserted, namely:—					17th day of March, 2012 to 2nd February, 2014 (both days inclusive)
	(1)	(2)	(3)	(4)	(5)	
	“205A	7302 or 8530	Railway or tramway track construction material of iron and steel.	12%	49”;	
	<i>Explanation.</i> —For the purposes of this exemption, the value of the goods shall be the value of goods excluding the value of rails.					

THE FOURTH SCHEDULE

(See section 105)

In the Third Schedule to the Central Excise Act,—

(i) after serial number 15 and the entries relating thereto, the following serial number and entries shall be inserted, namely:—

S.No.	Heading, sub-heading or tariff item	Description of goods
(1)	(2)	(3)
"15A.	2101 20	Extracts, essences and concentrates, of tea or mate, and preparations with a basis of these extracts, essences or concentrates or with a basis of tea or mate";

(ii) after serial number 23 and the entries relating thereto, the following serial number and entries shall be inserted, namely:—

(1)	(2)	(3)
"23A.	2202	All goods";

(iii) against serial number 94,—

(a) for the entry in column (2), the entry "Chapter 85 or Chapter 94" shall be substituted;

(b) in column (3), for the words "except lamps for automobiles", the words, figures, brackets and letters "falling under heading 8539 (except lamps for automobiles), LED lights or fixtures including LED lamps falling under Chapter 85 or heading 9405" shall be substituted.

THE FIFTH SCHEDULE
(See section 106)

In the First Schedule to the Central Excise Tariff Act,—

(i) in Chapter 4, for the entry in column (4) occurring against tariff items 0402 91 10 and 0402 99 20, the entry “12.5%” shall be substituted;

(ii) in Chapter 11,—

(a) for the entry in column (4) occurring against all the tariff items of heading 1107, the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against all the tariff items of heading 1108 (except tariff item 1108 20 00), the entry “12.5%” shall be substituted;

(iii) in Chapter 13, for the entry in column (4) occurring against all the tariff items (except tariff item 1302 11 00), the entry “12.5%” shall be substituted;

(iv) in Chapter 15,—

(a) for the entry in column (4) occurring against tariff item 1517 10 22, the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against tariff item 1520 00 00, the entry “12.5%” shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of headings 1521 and 1522, the entry “12.5%” shall be substituted;

(v) in Chapter 17, for the entry in column (4) occurring against all the tariff items of headings 1701 (except tariff items 1701 13 20 and 1701 14 20), 1702 (except tariff item 1702 90 10) and 1704, the entry “12.5%” shall be substituted;

(vi) in Chapter 18, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(vii) in Chapter 19,—

(a) for the entry in column (4) occurring against tariff items 1901 20 00, 1901 90 10 and 1901 90 90, the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against tariff items 1902 40 10 and 1902 40 90, the entry “12.5%” shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of heading 1904, the entry “12.5%” shall be substituted;

(d) for the entry in column (4) occurring against tariff items 1905 32 11, 1905 32 19 and 1905 32 90, the entry “12.5%” shall be substituted;

(viii) in Chapter 21,—

(a) for the entry in column (4) occurring against all the tariff items of heading 2101 (except tariff items 2101 30 10, 2101 30 20 and 2101 30 90), the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against all the tariff items of headings 2102, 2103 and 2104, the entry “12.5%” shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of heading 2106 (except tariff items 2106 90 20 and 2106 90 92), the entry “12.5%” shall be substituted;

(ix) in Chapter 22,—

(a) for the entry in column (4) occurring against all the tariff items of heading 2201 (except tariff item 2201 90 10), the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against tariff items 2202 10 10, 2202 10 20 and 2202 10 90, the entry “18%” shall be substituted;

(c) for the entry in column (4) occurring against tariff items 2202 90 30 and 2202 90 90, the entry “12.5%” shall be substituted;

(d) for the entry in column (4) occurring against tariff item 2207 20 00, the entry “12.5%” shall be substituted;

(e) for the entry in column (4) occurring against all the tariff items of heading 2209, the entry “12.5%” shall be substituted;

(x) in Chapter 24,—

(a) for the entry in column (4) occurring against tariff items 2402 10 10 and 2402 10 20, the entry “12.5% or Rs.3375 per thousand, whichever is higher” shall be substituted;

(b) for the entry in column (4) occurring against tariff item 2402 20 10, the entry “Rs. 1280 per thousand” shall be substituted;

(c) for the entry in column (4) occurring against tariff item 2402 20 20, the entry “Rs. 2335 per thousand” shall be substituted;

(d) for the entry in column (4) occurring against tariff item 2402 20 30, the entry “Rs. 1280 per thousand” shall be substituted;

(e) for the entry in column (4) occurring against tariff item 2402 20 40, the entry “Rs.1740 per thousand” shall be substituted;

(f) for the entry in column (4) occurring against tariff item 2402 20 50, the entry “Rs. 2335 per thousand” shall be substituted;

(g) for the entry in column (4) occurring against tariff item 2402 20 90, the entry “Rs. 3375 per thousand” shall be substituted;

(h) for the entry in column (4) occurring against tariff item 2402 90 10, the entry “Rs. 3375 per thousand” shall be substituted;

(i) for the entry in column (4) occurring against tariff items 2402 90 20 and 2402 90 90, the entry “12.5% or Rs. 3375 per thousand, whichever is higher” shall be substituted;

(j) for the entry in column (4) occurring against tariff item 2403 99 70, the entry “Rs.70 per kg.” shall be substituted;

(xi) in Chapter 25,—

(a) for the entry in column (4) occurring against tariff item 2503 00 10, the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against tariff items 2515 12 20 and 2515 12 90, the entry “12.5%” shall be substituted;

(c) for the entry in column (4) occurring against tariff item 2523 10 00, the entry “12.5%” shall be substituted;

(d) for the entry in column (4) occurring against tariff item 2523 21 00, the entry “12.5%” shall be substituted;

(e) for the entry in column (4) occurring against all the tariff items of sub-heading 2523 29, the entry “Rs.1000 per tonne” shall be substituted;

(f) for the entry in column (4) occurring against tariff items 2523 30 00, 2523 90 10, 2523 90 20 and 2523 90 90, the entry “12.5%” shall be substituted;

(xii) in Chapter 26, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(xiii) in Chapter 27, for the entry in column (4) occurring against tariff item 2710 19 30, the entry “14% + Rs. 15 per litre” shall be substituted;

(xiv) in Chapter 28, for the entry in column (4) occurring against all the tariff items (except tariff items 2804 40 10, 2844 30 22, 2845 10 00, 2845 90 10 and 2853 00 30), the entry “12.5%” shall be substituted;

(xv) in Chapter 29, for the entry in column (4) occurring against all the tariff items (except tariff item 2933 41 00), the entry “12.5%” shall be substituted;

(xvi) in Chapter 31, for the entry in column (4) occurring against all the tariff items of headings 3102, 3103, 3104 and 3105, the entry “12.5%” shall be substituted;

(xvii) in Chapter 32, for the entry in column (4) occurring against all the tariff items (except tariff items 3215 90 10 and 3215 90 20), the entry “12.5%” shall be substituted;

(xviii) in Chapter 33, for the entry in column (4) occurring against all the tariff items (except tariff item 3307 41 00), the entry “12.5%” shall be substituted;

(xix) in Chapter 34, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(xx) in Chapter 35, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(xxi) in Chapter 36, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(xxii) in Chapter 37, for the entry in column (4) occurring against all the tariff items of headings 3701, 3702, 3703, 3704 and 3707, the entry “12.5%” shall be substituted;

(xxiii) in Chapter 38, for the entry in column (4) occurring against all the tariff items (except tariff items 3824 50 10, 3825 10 00, 3825 20 00 and 3825 30 00), the entry “12.5%” shall be substituted;

(xxiv) in Chapter 39,–

(a) for the entry in column (4) occurring against all the tariff items (except tariff items 3916 10 20, 3916 20 11, 3916 20 91, 3916 90 10, 3923 21 00, 3923 29 10 and 3923 29 90), the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against the tariff items 3923 21 00, 3923 29 10 and 3923 29 90, the entry “18%” shall be substituted;

(xxv) in Chapter 40,–

(a) for the entry in column (4) occurring against all the tariff items of heading 4002, the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against tariff items 4003 00 00 and 4004 00 00, the entry “12.5%” shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of headings 4005 to 4007, 4008 (except tariff items 4008 19 10, 4008 21 10 and 4008 29 20) and 4009 to 4011, the entry “12.5%” shall be substituted;

(d) for the entry in column (4) occurring against tariff items 4012 90 10 to 4012 90 90, the entry “12.5%” shall be substituted;

(e) for the entry in column (4) occurring against all the tariff items of headings 4013, 4014 (except tariff items 4014 10 10 and 4014 10 20), 4015, 4016 and 4017, the entry “12.5%” shall be substituted;

(xxvi) in Chapter 42, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(xxvii) in Chapter 43, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(xxviii) in Chapter 44,–

(a) for the entry in column (4) occurring against all the tariff items of headings 4401, 4403, 4404, 4406, 4408 (except tariff items 4408 10 30, 4408 31 30, 4408 39 30 and 4408 90 20) and 4409 to 4412, the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against tariff items 4413 00 00 and 4414 00 00, the entry “12.5%” shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of headings 4415 and 4416, the entry “12.5%” shall be substituted;

(d) for the entry in column (4) occurring against tariff item 4417 00 00, the entry “12.5%” shall be substituted;

(e) for the entry in column (4) occurring against all the tariff items of headings 4418 to 4421, the entry “12.5%” shall be substituted;

(xxix) in Chapter 45, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(xxx) in Chapter 47, for the entry in column (4) occurring against all the tariff items of heading 4707, the entry “12.5%” shall be substituted;

(xxxi) in Chapter 48,–

(a) for the entry in column (4) occurring against all the tariff items of headings 4803, 4806 (except tariff items 4806 20 00 and 4806 40 10), 4809 and 4811, the entry “12.5%” shall be substituted;

(b) for the entry in column (4) occurring against tariff item 4812 00 00, the entry “12.5%” shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of headings 4813, 4814, 4816, 4818, 4819 (except tariff item 4819 20 10), 4820 to 4822 and 4823 (except tariff item 4823 90 11), the entry “12.5%” shall be substituted;

(xxxii) in Chapter 49, for the entry in column (4) occurring against all the tariff items of heading 4908, the entry “12.5%” shall be substituted;

(xxxiii) in Chapter 50, for the entry in column (4) occurring against all the tariff items of headings 5004 to 5007, the entry “12.5%” shall be substituted;

(xxxiv) in Chapter 51, for the entry in column (4) occurring against all the tariff items of headings 5105 to 5113, the entry “12.5%” shall be substituted;

(xxxv) in Chapter 52, for the entry in column (4) occurring against all the tariff items of headings 5204 to 5212, the entry “12.5%” shall be substituted;

(xxxvi) in Chapter 53, for the entry in column (4) occurring against all the tariff items of headings 5302, 5305, 5306, 5307 (except tariff item 5307 10 90), 5308 (except tariff items 5308 10 10, 5308 10 20 and 5308 10 90), 5309, 5310 and 5311, the entry “12.5%” shall be substituted;

(xxxvii) in Chapter 54, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(xxxviii) in Chapter 55, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

- (xxxix) in Chapter 56, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;
- (xl) in Chapter 57, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;
- (xli) in Chapter 58, for the entry in column (4) occurring against all the tariff items of headings 5801, 5802, 5803, 5804 (except tariff item 5804 30 00), 5806 and 5808 to 5811, the entry "12.5%" shall be substituted;
- (xlii) in Chapter 59, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;
- (xliii) in Chapter 60, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;
- (xliv) in Chapter 61, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;
- (xlv) in Chapter 62, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;
- (xlvi) in Chapter 63,—
- (a) for the entry in column (4) occurring against all the tariff items of headings 6301 to 6307, the entry "12.5%" shall be substituted;
- (b) for the entry in column (4) occurring against tariff item 6308 00 00, the entry "12.5%" shall be substituted;
- (xlvii) in Chapter 64, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;
- (xlviii) in Chapter 65, for the entry in column (4) occurring against all the tariff items (except tariff item 6503 00 00), the entry "12.5%" shall be substituted;
- (xlix) in Chapter 66, for the entry in column (4) occurring against all the tariff items of heading 6603, the entry "12.5%" shall be substituted;
- (l) in Chapter 67, for the entry in column (4) occurring against all the tariff items of headings 6702 to 6704, the entry "12.5%" shall be substituted;
- (li) in Chapter 68, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;
- (lii) in Chapter 69, for the entry in column (4) occurring against all the tariff items (except tariff items 6901 00 10 and 6904 10 00), the entry "12.5%" shall be substituted;
- (liii) in Chapter 70, for the entry in column (4) occurring against all the tariff items (except tariff items 7012 00 00, 7018 10 10, 7018 10 20, 7020 00 11, 7020 00 12 and 7020 00 21), the entry "12.5%" shall be substituted;
- (liv) in Chapter 71,—
- (a) for the entry in column (4) occurring against all the tariff items of headings 7101, 7103, 7104 (except tariff item 7104 10 00), 7105 and 7106, the entry "12.5%" shall be substituted;
- (b) for the entry in column (4) occurring against tariff item 7107 00 00, the entry "12.5%" shall be substituted;
- (c) for the entry in column (4) occurring against all the tariff items of heading 7108, the entry "12.5%" shall be substituted;
- (d) for the entry in column (4) occurring against tariff item 7109 00 00, the entry "12.5%" shall be substituted;
- (e) for the entry in column (4) occurring against all the tariff items of heading 7110, the entry "12.5%" shall be substituted;
- (f) for the entry in column (4) occurring against tariff item 7111 00 00, the entry "12.5%" shall be substituted;
- (g) for the entry in column (4) occurring against all the tariff items of headings 7112 to 7116 and 7118, the entry "12.5%" shall be substituted;
- (lv) in Chapter 72, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;
- (lvi) in Chapter 73, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;
- (lvii) in Chapter 74,—
- (a) for the entry in column (4) occurring against all the tariff items of headings 7401 to 7404, the entry "12.5%" shall be substituted;
- (b) for the entry in column (4) occurring against tariff item 7405 00 00, the entry "12.5%" shall be substituted;
- (c) for the entry in column (4) occurring against all the tariff items of headings 7406 to 7412, the entry "12.5%" shall be substituted;
- (d) for the entry in column (4) occurring against tariff item 7413 00 00, the entry "12.5%" shall be substituted;
- (e) for the entry in column (4) occurring against all the tariff items of headings 7415, 7418 and 7419, the entry "12.5%" shall be substituted;

(lviii) in Chapter 75, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;

(lix) in Chapter 76, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;

(lx) in Chapter 78, for the entry in column (4) occurring against all the tariff items of headings 7801, 7802, 7804 and 7806, the entry "12.5%" shall be substituted;

(lxi) in Chapter 79, for the entry in column (4) occurring against all the tariff items of headings 7901 to 7905 and 7907, the entry "12.5%" shall be substituted;

(lxii) in Chapter 80, for the entry in column (4) occurring against all the tariff items of headings 8001, 8002, 8003 and 8007, the entry "12.5%" shall be substituted;

(lxiii) in Chapter 81, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;

(lxiv) in Chapter 82, for the entry in column (4) occurring against all the tariff items (except tariff items 8215 10 00, 8215 20 00, 8215 91 00 and 8215 99 00), the entry "12.5%" shall be substituted;

(lxv) in Chapter 83, for the entry in column (4) occurring against all the tariff items, the entry "12.5%" shall be substituted;

(lxvi) in Chapter 84, for the entry in column (4) occurring against all the tariff items of headings 8401 to 8423, 8424 (except tariff item 8424 81 00), 8425 to 8431, 8434, 8435, 8438 to 8451, 8452 (except tariff items 8452 10 12, 8452 10 22, 8452 30 10, 8452 30 90, 8452 90 11, 8452 90 19, 8452 90 91 and 8452 90 99), 8453 to 8468, 8469 (except tariff items 8469 00 30 and 8469 00 40), 8470 to 8478, 8479 (except tariff item 8479 89 92), 8480 to 8484, 8486 and 8487, the entry "12.5%" shall be substituted;

(lxvii) in Chapter 85,—

(a) for the entry in column (4) occurring against all the tariff items of headings 8501 to 8519, 8521, 8522, 8523, 8525 to 8533, the entry "12.5%" shall be substituted;

(b) for the entry in column (4) occurring against tariff item 8534 00 00, the entry "12.5%" shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of headings 8535 to 8547, the entry "12.5%" shall be substituted;

(d) for the entry in column (4) occurring against tariff item 8548 90 00, the entry "12.5%" shall be substituted;

(lxviii) in Chapter 86,—

(a) for the entry in column (4) occurring against tariff item 8604 00 00, the entry "12.5%" shall be substituted;

(b) for the entry in column (4) occurring against all the tariff items of headings 8607 and 8608, the entry "12.5%" shall be substituted;

(c) for the entry in column (4) occurring against tariff item 8609 00 00, the entry "12.5%" shall be substituted;

(lxix) in Chapter 87,—

(a) for the entry in column (4) occurring against all the tariff items of headings 8701, 8702 (except tariff items 8702 10 11, 8702 10 12, 8702 10 19, 8702 90 11, 8702 90 12 and 8702 90 19), the entry "12.5%" shall be substituted;

(b) for the entry in column (4) occurring against tariff items 8703 10 10 and 8703 90 10, the entry "12.5%" shall be substituted;

(c) for the entry in column (4) occurring against all the tariff items of headings 8704 (except tariff items 8704 10 90, 8704 31 90, 8704 32 19, 8704 32 90, 8704 90 19 and 8704 90 90) and 8705, the entry "12.5%" shall be substituted;

(d) for the entry in column (4) occurring against tariff items 8706 00 11, 8706 00 19, 8706 00 31, 8706 00 41 and 8706 00 50, the entry "12.5%" shall be substituted;

(e) for the entry in column (4) occurring against all the tariff items of headings 8707, 8708 and 8709, the entry "12.5%" shall be substituted;

(f) for the entry in column (4) occurring against tariff item 8710 00 00, the entry "12.5%" shall be substituted;

(g) for the entry in column (4) occurring against all the tariff items of headings 8711, 8712 and 8714 to 8716, the entry "12.5%" shall be substituted;

(lxx) in Chapter 88, for the entry in column (4) occurring against all the tariff items of headings 8802 (except tariff item 8802 60 00) and 8803, the entry "12.5%" shall be substituted;

(lxxi) in Chapter 89,—

(a) for the entry in column (4) occurring against all the tariff items of headings 8903 and 8907, the entry "12.5%" shall be substituted;

(b) for the entry in column (4) occurring against tariff item 8908 00 00, the entry "12.5%" shall be substituted;

(*lxxii*) in Chapter 90,–

(*a*) for the entry in column (4) occurring against all the tariff items of headings 9001 (except tariff items 9001 40 10, 9001 40 90 and 9001 50 00), 9002 to 9008, 9010 to 9016, 9017 (except tariff items 9017 20 10, 9017 20 20, 9017 20 30 and 9017 20 90), 9018 and 9019, the entry “12.5%” shall be substituted;

(*b*) for the entry in column (4) occurring against tariff item 9020 00 00, the entry “12.5%” shall be substituted;

(*c*) for the entry in column (4) occurring against all the tariff items of headings 9022 to 9032, the entry “12.5%” shall be substituted;

(*d*) for the entry in column (4) occurring against tariff item 9033 00 00, the entry “12.5%” shall be substituted;

(*lxxiii*) in Chapter 91, for the entry in column (4) occurring against all the tariff items, the entry “12.5%” shall be substituted;

(*lxxiv*) in Chapter 92,–

(*a*) for the entry in column (4) occurring against all the tariff items of headings 9201, 9202 and 9205, the entry “12.5%” shall be substituted;

(*b*) for the entry in column (4) occurring against tariff item 9206 00 00, the entry “12.5%” shall be substituted;

(*c*) for the entry in column (4) occurring against all the tariff items of headings 9207 to 9209, the entry “12.5%” shall be substituted;

(*lxxv*) in Chapter 93,–

(*a*) for the entry in column (4) occurring against tariff item 9302 00 00, the entry “12.5%” shall be substituted;

(*b*) for the entry in column (4) occurring against all the tariff items of heading 9303, the entry “12.5%” shall be substituted;

(*c*) for the entry in column (4) occurring against tariff item 9304 00 00, the entry “12.5%” shall be substituted;

(*d*) for the entry in column (4) occurring against all the tariff items of headings 9305 and 9306, the entry “12.5%” shall be substituted;

(*e*) for the entry in column (4) occurring against tariff item 9307 00 00, the entry “12.5%” shall be substituted;

(*lxxvi*) in Chapter 94, for the entry in column (4) occurring against all the tariff items (except tariff item 9405 50 10), the entry “12.5%” shall be substituted;

(*lxxvii*) in Chapter 95, for the entry in column (4) occurring against all the tariff items of headings 9503 to 9508 (except tariff item 9508 10 00), the entry “12.5%” shall be substituted;

(*lxxviii*) in Chapter 96,–

(*a*) for the entry in column (4) occurring against all the tariff items of headings 9601 to 9603, the entry “12.5%” shall be substituted;

(*b*) for the entry in column (4) occurring against tariff item 9604 00 00, the entry “12.5%” shall be substituted;

(*c*) for the entry in column (4) occurring against all the tariff items of headings 9605, 9606 (except tariff items 9606 21 00, 9606 22 00, 9606 29 10, 9606 29 90 and 9606 30 10) and 9607 to 9608, the entry “12.5%” shall be substituted;

(*d*) for the entry in column (4) occurring against tariff item 9611 00 00, the entry “12.5%” shall be substituted;

(*e*) for the entry in column (4) occurring against all the tariff items of headings 9612 and 9613, the entry “12.5%” shall be substituted;

(f) for the entry in column (4) occurring against tariff item 9614 00 00, the entry "12.5%" shall be substituted;

(g) for the entry in column (4) occurring against all the tariff items of headings 9616 and 9617, the entry "12.5%" shall be substituted;

(h) for the entry in column (4) occurring against tariff item 9618 00 00, the entry "12.5%" shall be substituted.

THE COMPANIES (AMENDMENT) ACT, 2015

(AS PASSED BY THE HOUSES OF PARLIAMENT)

(Act No. 21 of 2015)

(25-5-2015)

AN

ACT

to amend the Companies Act, 2013.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

1. (1) This Act may be called the Companies (Amendment) Act, 2015.

Short title
and com-
mencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act and any reference in any provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

18 of 2013.

2. In section 2 of the Companies Act, 2013 (hereinafter referred to as the principal Act),—

Amendment
of section 2.

(i) in clause (68), the words "of one lakh rupees or such higher paid-up share capital" shall be omitted;

(ii) in clause (71), in sub-clause (b), the words "of five lakh rupees or such higher paid-up capital," shall be omitted.

3. In section 9 of the principal Act, the words "and a common seal" shall be omitted.

Amendment
of section 9.

4. Section 11 of the principal Act, shall be omitted.

Omission of
section 11.

5. In section 12 of the principal Act, in sub-section (3), for clause (b), the following clause shall be substituted, namely:—

Amendment of
section 12.

"(b) have its name engraved in legible characters on its seal, if any;"

6. In section 22 of the principal Act,—

Amendment of
section 22.

(i) in sub-section (2),—

(a) for the words "under its common seal", the words "under its common seal, if any," shall be substituted;

(b) the following proviso shall be inserted, namely:—

"Provided that in case a company does not have a common seal, the authorisation under this sub-section shall be made by two directors or by a director and the Company Secretary, wherever the company has appointed a Company Secretary.";

(ii) in sub-section (3), the words “and have the effect as if it were made under its common seal” shall be omitted.

Amendment
of section 46.

7. In section 46 of the principal Act, in sub-section (1), for the words “issued under the common seal of the company”, the words “issued under the common seal, if any, of the company or signed by two directors or by a director and the Company Secretary, wherever the company has appointed a Company Secretary” shall be substituted.

Insertion of
new section
76A.

8. After section 76 of the principal Act, the following section shall be inserted, namely:—

Punishment
for contra-
vention of
section 73 or
section 76.

“76A. Where a company accepts or invites or allows or causes any other person to accept or invite on its behalf any deposit in contravention of the manner or the conditions prescribed under section 73 or section 76 or rules made thereunder or if a company fails to repay the deposit or part thereof or any interest due thereon within the time specified under section 73 or section 76 or rules made thereunder or such further time as may be allowed by the Tribunal under section 73,—

(a) the company shall, in addition to the payment of the amount of deposit or part thereof and the interest due, be punishable with fine which shall not be less than one crore rupees but which may extend to ten crore rupees; and

(b) every officer of the company who is in default shall be punishable with imprisonment which may extend to seven years or with fine which shall not be less than twenty-five lakh rupees but which may extend to two crore rupees, or with both:

Provided that if it is proved that the officer of the company who is in default, has contravened such provisions knowingly or wilfully with the intention to deceive the company or its shareholders or depositors or creditors or tax authorities, he shall be liable for action under section 447.”.

Amendment
of section
117.

9. In section 117 of the principal Act, in sub-section (3),—

(i) in clause (g), the word “and” occurring at the end shall be omitted;

(ii) after clause (g), the following proviso shall be inserted, namely:—

“Provided that no person shall be entitled under section 399 to inspect or obtain copies of such resolutions; and”.

Amendment
of section
123.

10. In section 123 of the principal Act, in sub-section (1), after the third proviso, the following proviso shall be inserted, namely:—

“Provided also that no company shall declare dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the company for the current year.”.

Amendment of
section 124.

11. In section 124 of the principal Act, in sub-section (6),—

(i) for the words, brackets and figure “unpaid or unclaimed dividend has been transferred under sub-section (5) shall also be”, the words “dividend has not been paid or claimed for seven consecutive years or more shall be” shall be substituted;

(ii) after the proviso, the following *Explanation* shall be inserted, namely:—

“*Explanation.*—For the removal of doubts, it is hereby clarified that in case any dividend is paid or claimed for any year during the said period of seven consecutive years, the share shall not be transferred to Investor Education and Protection Fund.”.

12. In section 134 of the principal Act, in sub-section (3), after clause (c), the following clause shall be inserted, namely:—

Amendment
of section
134.

“(ca) details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government;”.

13. In section 143 of the principal Act, for sub-section (12), the following sub-section shall be substituted, namely:—

Amendment
of section
143.

“(12) Notwithstanding anything contained in this section, if an auditor of a company in the course of the performance of his duties as auditor, has reason to believe that an offence of fraud involving such amount or amounts as may be prescribed, is being or has been committed in the company by its officers or employees, the auditor shall report the matter to the Central Government within such time and in such manner as may be prescribed:

Provided that in case of a fraud involving lesser than the specified amount, the auditor shall report the matter to the audit committee constituted under section 177 or to the Board in other cases within such time and in such manner as may be prescribed:

Provided further that the companies, whose auditors have reported frauds under this sub-section to the audit committee or the Board but not reported to the Central Government, shall disclose the details about such frauds in the Board's report in such manner as may be prescribed.”.

14. In section 177 of the principal Act, in sub-section (4), in clause (iv), the following proviso shall be inserted, namely:—

Amendment
of section
177.

“Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed;”.

15. In section 185 of the principal Act, in sub-section (1), in the proviso, after clause (b), the following clauses and proviso shall be inserted, namely:—

Amendment
of section
185.

“(c) any loan made by a holding company to its wholly owned subsidiary company or any guarantee given or security provided by a holding company in respect of any loan made to its wholly owned subsidiary company; or

(d) any guarantee given or security provided by a holding company in respect of loan made by any bank or financial institution to its subsidiary company:

Provided that the loans made under clauses (c) and (d) are utilised by the subsidiary company for its principal business activities.”.

Amendment
of section
188.

16. In section 188 of the principal Act,—

(a) in sub-section (1),—

(i) for the words "special resolution", at both the places where they occur, the word "resolution" shall be substituted;

(ii) after the third proviso, the following proviso shall be inserted, namely:—

"Provided also that the requirement of passing the resolution under first proviso shall not be applicable for transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.";

(b) in sub-section (3), for the words "special resolution", the word "resolution" shall be substituted.

Amendment
of section
212.

17. In section 212 of the principal Act, in sub-section (6), for the words, brackets and figures "the offences covered under sub-sections (5) and (6) of section 7, section 34, section 36, sub-section (1) of section 38, sub-section (5) of section 46, sub-section (7) of section 56, sub-section (10) of section 66, sub-section (5) of section 140, sub-section (4) of section 206, section 213, section 229, sub-section (1) of section 251, sub-section (3) of section 339 and section 448 which attract the punishment for fraud provided in section 447", the words and figures "offence covered under section 447" shall be substituted.

Amendment
of section
223.

18. In section 223 of the principal Act, in sub-section (4), in clause (a), for the words "by the seal", the words "by the seal, if any," shall be substituted.

Amendment
of section
248.

19. In section 248 of the principal Act, in sub-section (1),—

(i) in clause (a), after the word 'incorporation', the word 'or' shall be inserted;

(ii) clause (b) shall be omitted.

Amendment
of section
419.

20. In section 419 of the principal Act, in sub-section (4), the words "or winding up" shall be omitted.

Amendment
of section
435.

21. In section 435 of the principal Act, in sub-section (1),—

(i) for the words "trial of offences under this Act", the words "trial of offences punishable under this Act with imprisonment of two years or more" shall be substituted;

(ii) the following proviso shall be inserted, namely:—

"Provided that all other offences shall be tried, as the case may be, by a Metropolitan Magistrate or a Judicial Magistrate of the First Class having jurisdiction to try any offence under this Act or under any previous company law."

Amendment
of section
436.

22. In section 436 of the principal Act, in sub-section (1), in clause (a), for the words "all offences under this Act", the words, brackets and figures "all offences specified under sub-section (1) of section 435" shall be substituted.

Amendment
of section
462.

23. In section 462 of the principal Act, for sub-section (2), the following sub-sections shall be substituted, namely:—

"(2) A copy of every notification proposed to be issued under sub-section (1), shall be laid in draft before each House of Parliament, while it is in session, for a total period of thirty days, and if, both Houses agree in disapproving the issue of notification or both Houses agree in making any modification in the notification, the notification shall not be issued or, as the case may be, shall be issued only in such modified form as may be agreed upon by both the Houses.

(3) In reckoning any such period of thirty days as is referred to in sub-section (2), no account shall be taken of any period during which the House referred to in sub-section (2) is prorogued or adjourned for more than four consecutive days.

(4) The copies of every notification issued under this section shall, as soon as may be after it has been issued, be laid before each House of Parliament.”.

THE BLACK MONEY (UNDISCLOSED FOREIGN INCOME AND ASSETS)
AND IMPOSITION OF TAX ACT, 2015

(AS PASSED BY THE HOUSES OF PARLIAMENT)

(Act No. 22 of 2015)

(26-5-2015)

AN

ACT

to make provisions to deal with the problem of the Black money that is undisclosed foreign income and assets, the procedure for dealing with such income and assets and to provide for imposition of tax on any undisclosed foreign income and asset held outside India and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.

Short title and commencement.

(2) It extends to the whole of India.

(3) Save as otherwise provided in this Act, it shall come into force on the 1st day of April, 2016.

2. In this Act, unless the context otherwise requires,—

Definitions.

(1) “Appellate Tribunal” means the Appellate Tribunal constituted under section 252 of the Income-tax Act;

(2) “assessee” means a person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6 of the Income-tax Act, by whom tax in respect of undisclosed foreign income and assets, or any other sum of money, is payable under this Act and includes every person who is deemed to be an assessee in default under this Act;

(3) “assessment” includes reassessment;

(4) “assessment year” means the period of twelve months commencing on the 1st day of April every year;

(5) "Board" means the Central Board of Direct Taxes constituted under the Central Boards of Revenue Act, 1963; 54 of 1963.

(6) "Income-tax Act" means the Income-tax Act, 1961; 43 of 1961.

(7) "participant" means—

(a) a partner in relation to a firm; or

(b) a member in relation to an association of persons or body of individuals;

(8) "prescribed" means prescribed by rules made under this Act;

(9) "previous year" means—

(a) the period beginning with the date of setting up of a business and ending with the date of the closure of the business or the 31st day of March following the date of setting up of such business, whichever is earlier;

(b) the period beginning with the date on which a new source of income comes into existence and ending with the date of closure of the business or the 31st day of March following the date on which such new source comes into existence, whichever is earlier;

(c) the period beginning with the 1st day of the financial year and ending with the date of discontinuance of the business other than business referred to in clause (b) or dissolution of an unincorporated body or liquidation of a company, as the case may be; or

(d) the period of twelve months commencing on the 1st day of April of the relevant year in any other case,

and which immediately precedes the assessment year.

(10) "resident" means a person who is resident in India within the meaning of section 6 of the Income-tax Act;

(11) "undisclosed asset located outside India" means an asset (including financial interest in any entity) located outside India, held by the assessee in his name or in respect of which he is a beneficial owner, and he has no explanation about the source of investment in such asset or the explanation given by him is in the opinion of the Assessing Officer unsatisfactory;

(12) "undisclosed foreign income and asset" means the total amount of undisclosed income of an assessee from a source located outside India and the value of an undisclosed asset located outside India, referred to in section 4, and computed in the manner laid down in section 5;

(13) "unincorporated body" means—

(a) a firm;

(b) an association of persons; or

(c) a body of individuals;

(14) "value of an undisclosed asset" shall have the meaning assigned to it in sub-section (2) of section 3;

(15) all other words and expressions used herein but not defined and defined in the Income-tax Act shall have the meanings respectively assigned to them in that Act.

CHAPTER II

BASIS OF CHARGE

3. (1) There shall be charged on every assessee for every assessment year commencing on or after the 1st day of April, 2016, subject to the provisions of this Act, a tax in respect of his total undisclosed foreign income and asset of the previous year at the rate of thirty per cent. of such undisclosed income and asset:

Charge of tax.

Provided that an undisclosed asset located outside India shall be charged to tax on its value in the previous year in which such asset comes to the notice of the Assessing Officer.

(2) For the purposes of this section, "value of an undisclosed asset" means the fair market value of an asset (including financial interest in any entity) determined in such manner as may be prescribed.

4. (1) Subject to the provisions of this Act, the total undisclosed foreign income and asset of any previous year of an assessee shall be,—

Scope of total undisclosed foreign income and asset.

(a) the income from a source located outside India, which has not been disclosed in the return of income furnished within the time specified in *Explanation 2* to sub-section (1) or under sub-section (4) or sub-section (5) of section 139 of the Income-tax Act;

(b) the income, from a source located outside India, in respect of which a return is required to be furnished under section 139 of the Income-tax Act but no return of income has been furnished within the time specified in *Explanation 2* to sub-section (1) or under sub-section (4) or sub-section (5) of section 139 of the said Act; and

(c) the value of an undisclosed asset located outside India.

(2) Notwithstanding anything contained in sub-section (1), any variation made in the income from a source outside India in the assessment or reassessment of the total income of any previous year, of the assessee under the Income-tax Act in accordance with the provisions of section 29 to section 43C or section 57 to section 59 or section 92C of the said Act, shall not be included in the total undisclosed foreign income.

(3) The income included in the total undisclosed foreign income and asset under this Act shall not form part of the total income under the Income-tax Act.

5. (1) In computing the total undisclosed foreign income and asset of any previous year of an assessee,—

Computation of total undisclosed foreign income and asset.

(i) no deduction in respect of any expenditure or allowance or set off of any loss shall be allowed to the assessee, whether or not it is allowable in accordance with the provisions of the Income-tax Act;

(ii) any income,—

(a) which has been assessed to tax for any assessment year under the Income-tax Act prior to the assessment year to which this Act applies; or

(b) which is assessable or has been assessed to tax for any assessment year under this Act,

shall be reduced from the value of the undisclosed asset located outside India, if, the assessee furnishes evidence to the satisfaction of the Assessing Officer that the asset has been acquired from the income which has been assessed or is assessable, as the case may be, to tax.

(2) The amount of deduction referred to in clause (ii) of sub-section (1) in case of an immovable property shall be the amount which bears to the value of the asset as on the first day of the financial year in which it comes to the notice of the Assessing Officer, the same proportion as the assessable or assessed foreign income bears to the total cost of the asset.

Illustration

A house property located outside India was acquired by an assessee in the previous year 2009-10 for fifty lakh rupees. Out of the investment of fifty lakh rupees, twenty lakh rupees was assessed to tax in the total income of the previous year 2009-10 and earlier years. Such undisclosed asset comes to the notice of the Assessing Officer in the year 2017-18. If the value of the asset in the year 2017-18 is one crore rupees, the amount chargeable to tax shall be $A-B=C$

where,

$A = \text{Rs. 1 crore}$, $B = \text{Rs. } (100 \times 20/50) \text{ lakh} = \text{Rs. 40 lakh}$, $C = \text{Rs. } (100-40) \text{ lakh} = \text{Rs. 60 lakh}$.

CHAPTER III

TAX MANAGEMENT

Tax authorities. 6. (1) The income-tax authorities specified in section 116 of the Income-tax Act shall be the tax authorities for the purposes of this Act.

(2) Every such authority shall exercise the powers and perform the functions of a tax authority under this Act in respect of any person within his jurisdiction.

(3) Subject to the provisions of sub-section (4), the jurisdiction of a tax authority under this Act shall be the same as he has under the Income-tax Act by virtue of orders or directions issued under section 120 of that Act (including orders or directions assigning the concurrent jurisdiction) or under any other provision of that Act.

(4) The tax authority having jurisdiction in relation to an assessee who has no income assessable to income-tax under the Income-tax Act shall be the tax authority having jurisdiction in respect of the area in which the assessee resides or carries on its business or has its principal place of business.

(5) Section 118 of the Income-tax Act and any notification issued thereunder shall apply in relation to the control of tax authorities as they apply in relation to the control of the corresponding income-tax authorities, except to the extent to which the Board may, by notification in the Official Gazette, otherwise direct in respect of any tax authority.

Change of incumbent. 7. (1) The tax authority who succeeds another authority as a result of change in jurisdiction or for any other reason, shall continue the proceedings from the stage at which it was left by his predecessor.

(2) The assessee in such a case may be given an opportunity of being heard, if he so requests in writing, before passing any order in his case.

Powers regarding discovery and production of evidence. 8. (1) The prescribed tax authorities shall, for the purposes of this Act, have the same powers as are vested in a court under the Code of Civil Procedure, 1908, while trying a suit in respect of the following matters, namely:—

(a) discovery and inspection;

(b) enforcing the attendance of any person, including any officer of a banking company and examining him on oath;

(c) compelling the production of books of account and other documents; and

(d) issuing commissions.

(2) For the purposes of making any inquiry or investigation, the prescribed tax authority shall be vested with the powers referred to in sub-section (1), whether or not any proceedings are pending before it.

(3) Any tax authority prescribed for the purposes of sub-section (1) or sub-section (2) may, subject to the rules made in this behalf, impound any books of account or other documents produced before it and retain them in its custody for such period as it thinks fit.

(4) Any tax authority below the rank of Commissioner shall not—

(a) impound any books of account or other documents without recording his reasons for doing so; or

(b) retain in his custody any such books or documents for a period exceeding thirty days without obtaining the approval of the Principal Chief Commissioner or the Chief Commissioner or the Principal Commissioner or the Commissioner.

9. (1) Any proceeding under this Act before a tax authority shall be deemed to be a judicial proceeding within the meaning of section 193 and section 228 and for the purposes of section 196 of the Indian Penal Code.

Proceedings
before tax
authorities to
be judicial
proceedings.

(2) Every tax authority shall be deemed to be a civil court for the purposes of section 195, but not for the purposes of Chapter XXVI of the Code of Criminal Procedure, 1973.

45 of 1860.

2 of 1974.

10. (1) For the purposes of making an assessment or reassessment under this Act, the Assessing Officer may, on receipt of an information from an income-tax authority under the Income-tax Act or any other authority under any law for the time being in force or on coming of any information to his notice, serve on any person, a notice requiring him on a date to be specified to produce or cause to be produced such accounts or documents or evidence as the Assessing Officer may require for the purposes of this Act and may, from time to time, serve further notices requiring the production of such other accounts or documents or evidence as he may require.

Assessment.

(2) The Assessing Officer may make such inquiry, as he considers necessary, for the purpose of obtaining full information in respect of undisclosed foreign income and asset of any person for the relevant financial year or years.

(3) The Assessing Officer, after considering such accounts, documents or evidence, as he has obtained under sub-section (1), and after taking into account any relevant material which he has gathered under sub-section (2) and any other evidence produced by the assessee, shall by an order in writing, assess the undisclosed foreign income and asset and determine the sum payable by the assessee.

(4) If any person fails to comply with all the terms of the notice under sub-section (1), the Assessing Officer shall, after taking into account all the relevant material which he has gathered and after giving the assessee an opportunity of being heard, make the assessment of undisclosed foreign income and asset to the best of his judgment and determine the sum payable by the assessee.

11. (1) No order of assessment or reassessment shall be made under section 10 after the expiry of two years from the end of the financial year in which the notice under sub-section (1) of section 10 was issued by the Assessing Officer.

Time limit for
completion of
assessment and
reassessment.

(2) Notwithstanding anything contained in sub-section (1), an order of fresh assessment in pursuance of an order passed under section 18 setting aside or cancelling an assessment, may be made at any time before the expiry of the period of two years from the end of the financial year in which the order under section 18 is received by the Principal Commissioner or the Commissioner.

(3) The provisions of sub-section (1) shall not apply to the assessment or reassessment made in consequence of, or to give effect to, any finding or direction contained in an order under section 15 or section 18 or section 19 or section 22 of this Act or in an order of any court in a proceeding otherwise than by way of appeal under this Act and such assessment or reassessment may, subject to the provisions of sub-section (2), be completed at any time, before the expiry of the period of two years from the end of the financial year in which such order is received by the Principal Commissioner or the Commissioner.

Explanation 1.—In computing the period of limitation for the purpose of this section—

- (i) the time taken in reopening the whole or any part of the proceeding; or
- (ii) the period during which the assessment proceeding is stayed by an order or injunction of any court; or
- (iii) the period commencing from the date on which a reference or first of the references for exchange of information is made by an authority competent under an agreement referred to in section 90 or section 90A of the Income-tax Act or under section 73 of this Act and ending with the date on which the Principal Commissioner or the Commissioner last receives, the information so requested or a period of one year, whichever is less,

shall be excluded:

Provided that where immediately after the exclusion of the aforesaid time or period, the period of limitation referred to in sub-sections (1), (2) and (3) available to the Assessing Officer for making an order of assessment or reassessment, as the case may be, is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly.

Explanation 2.—Where, by an order referred to in sub-section (3), any undisclosed foreign income and asset is excluded from the total undisclosed foreign income and asset for an assessment year in respect of an assessee, then, an assessment of such undisclosed foreign income and asset for another assessment year shall, for the purposes of section 10 and this section, be deemed to be one made in consequence of, or to give effect to, any finding or direction contained in the said order.

Rectification
of mistake.

12. (1) A tax authority may amend any order passed by it under this Act so as to rectify any mistake apparent from the record.

(2) No amendment under this section shall be made after a period of four years from the end of the financial year in which the order sought to be amended was passed.

(3) The tax authority shall not make any amendment, which has the effect of enhancing the undisclosed foreign income and asset or reducing a refund or otherwise increasing the liability of the assessee, unless the authority concerned has given to the assessee an opportunity of being heard.

(4) The tax authority concerned may make an amendment under this section—

- (a) on its own motion; or
- (b) on an application made to it by the assessee or, as the case may be, by the Assessing Officer.

(5) Any application received by the tax authority for amendment of an order shall be decided within a period of six months from the end of the month in which such application is received by it.

(6) In a case where the order has been made in an appeal or revision, the power of the tax authority to amend the order shall be restricted to matters other than those decided in appeal or revision.

13. Any sum payable in consequence of any order made under this Act shall be demanded by a tax authority by serving upon the assessee a notice of demand in such form and manner as may be prescribed.

Notice of demand.

14. Nothing in this Chapter shall prevent either the direct assessment of the person on whose behalf or for whose benefit the undisclosed income from a source located outside India is receivable or undisclosed asset located outside India is held, or the recovery from such person of the tax or any other sum of money payable in respect of such income and asset.

Direct assessment or recovery not barred.

15. (1) Any person, – (a) objecting to the amount of tax on undisclosed foreign income and asset for which he is assessed by the Assessing Officer; or (b) denying his liability to be assessed under this Act; or (c) objecting to any penalty imposed by the Assessing Officer; or (d) objecting to an order of rectification having the effect of enhancing the assessment or reducing the refund; or (e) objecting to an order refusing to allow the claim made by the assessee for a rectification under section 12, may appeal to the Commissioner (Appeals).

Appeals to the Commissioner (Appeals).

(2) Every appeal shall be filed in such form and verified in such manner and be accompanied by a fee as may be prescribed.

(3) An appeal shall be presented within a period of thirty days from —

(a) the date of service of the notice of demand relating to the assessment or penalty, or

(b) the date on which the intimation of the order sought to be appealed against is served in any other case.

(4) The Commissioner (Appeals) may admit an appeal after the expiration of the period referred to in sub-section (3) —

(a) if he is satisfied that the appellant had sufficient cause for not presenting it within that period; and

(b) the delay in preferring the appeal does not exceed a period of one year.

(5) The Commissioner (Appeals) shall hear and determine the appeal and, subject to the provisions of this Act, pass such orders as he thinks fit and such orders may include an order enhancing the assessment or penalty:

Provided that an order enhancing the assessment or penalty shall not be made unless the assessee has been given a reasonable opportunity of being heard.

16. (1) The Commissioner (Appeals) shall fix a date and place for the hearing of the appeal, and shall give notice of the same to the appellant and the Assessing Officer against whose order the appeal is preferred.

Procedure to be followed in appeal.

(2) The following shall have the right to be heard at the hearing of the appeal, namely:—

(a) the appellant, either in person or by an authorised representative;

(b) the Assessing Officer, either in person or by a representative.

(3) The Commissioner (Appeals) may adjourn the hearing of the appeal whenever he considers it necessary or expedient to do so.

(4) The Commissioner (Appeals) may, before disposing of any appeal, make such further inquiry as he thinks fit.

(5) The Commissioner (Appeals) may, during the proceedings before him, direct the Assessing Officer to make an inquiry and report to him on the points arising out of any question of law or fact.

(6) The Commissioner (Appeals) may, at the hearing of an appeal, allow the appellant to go into any ground of appeal not specified in the grounds of appeal, if the Commissioner (Appeals) is satisfied that the omission was not wilful or unreasonable.

(7) The order of the Commissioner (Appeals) disposing of the appeal shall be in writing and shall state the points for determination, the decision thereon and the reasons therefor.

(8) Every appeal preferred under section 15 shall be heard and disposed of by the Commissioner (Appeals) as expeditiously as possible and endeavour shall be made to dispose of such appeal within a period of one year from the end of the financial year in which the appeal is preferred.

(9) On the disposal of the appeal, the Commissioner (Appeals) shall communicate the order passed by him to the assessee and to the Principal Chief Commissioner or the Chief Commissioner or the Principal Commissioner or the Commissioner.

Powers of
Commissioner
(Appeals).

17. (1) In disposing of an appeal, the Commissioner (Appeals) shall have the following powers, namely:—

(a) in an appeal against an order of assessment, he may confirm, reduce, enhance or annul the assessment;

(b) in an appeal against an order imposing a penalty, he may confirm or cancel such order;

(c) in any other case, he may determine the issues arising in the appeal and pass such orders thereon, as he thinks fit.

(2) The Commissioner (Appeals) may consider and decide any matter which was not considered by the Assessing Officer.

(3) The Commissioner (Appeals) shall not enhance an assessment or a penalty unless the appellant has been given an opportunity of being heard.

(4) In disposing of an appeal, the Commissioner (Appeals) may consider and decide any matter arising out of the proceedings in which the order appealed against was passed, notwithstanding that such matter was not raised before him by the appellant.

Appeals to
Appellate
Tribunal.

18. (1) Any assessee aggrieved by an order passed by the Commissioner (Appeals) under section 15, or an order passed by the Principal Commissioner or the Commissioner under any provision of this Act, may appeal to the Appellate Tribunal against such order.

(2) The Principal Commissioner or the Commissioner may, if he objects to any order passed by the Commissioner (Appeals) under any provision of this Act, direct the Assessing Officer to appeal to the Appellate Tribunal against the order.

(3) Every appeal under sub-section (1) or sub-section (2) shall be filed within a period of sixty days from the date on which the order sought to be appealed against is communicated to the assessee or to the Principal Commissioner or the Commissioner, as the case may be.

(4) The Assessing Officer or the assessee, as the case may be, on receipt of notice that an appeal against the order of the Commissioner (Appeals) has been preferred under sub-section (1) or sub-section (2) by the other party may, notwithstanding that he may not have appealed against such order or any part thereof, within thirty days of the receipt of the notice, file a memorandum of cross-objections, verified in the prescribed manner, against

any part of the order of the Commissioner (Appeals), and such memorandum shall be disposed of by the Appellate Tribunal as if it were an appeal presented within the time specified in sub-section (3).

(5) The Appellate Tribunal may admit an appeal or permit the filing of a memorandum of cross-objections after the expiry of the period referred to in sub-section (3) or sub-section (4), if —

(a) it is satisfied that there was sufficient cause for not presenting it within that period; and

(b) the delay in filing the appeal does not exceed a period of one year.

(6) An appeal to the Appellate Tribunal shall be filed in such form, and verified in such manner, and shall, except in the case of an appeal referred to in sub-section (2) or a memorandum of cross-objections referred to in sub-section (4), be accompanied by a fee as may be prescribed.

(7) Subject to the provisions of this Act, in hearing and making an order on any appeal under this section, the Appellate Tribunal shall exercise the same powers and follow the procedure as it exercises and follows in hearing and making an order on any appeal under the Income-tax Act.

19. (1) An appeal shall lie to the High Court from every order passed in appeal by the Appellate Tribunal, if the High Court is satisfied that the case involves a substantial question of law.

Appeal to High Court.

(2) The Principal Chief Commissioner or the Chief Commissioner or the Principal Commissioner or the Commissioner or an assessee, may file an appeal to the High Court on being aggrieved by any order passed by the Appellate Tribunal and such appeal shall be —

(a) filed within a period of one hundred and twenty days from the date on which the order appealed against is received by the Principal Chief Commissioner or the Chief Commissioner or the Principal Commissioner or the Commissioner or the assessee;

(b) in the form of a memorandum of appeal precisely stating therein the substantial question of law involved.

(3) The High Court may admit an appeal after the expiry of the period of one hundred and twenty days referred to in sub-section (2), if it is satisfied that there was sufficient cause for not filing the appeal within that period.

(4) If the High Court is satisfied that a substantial question of law is involved in any case, it shall formulate that question.

(5) The appeal shall be heard only on the question so formulated, and the respondents shall, at the hearing of the appeal, be allowed to argue that the case does not involve such question.

(6) Notwithstanding anything in sub-sections (4) and (5), the High Court may exercise its power to hear the appeal on any other substantial question of law not formulated by it, if it is satisfied that the case involves such question of law.

(7) The High Court shall decide the question of law so formulated and deliver such judgment thereon containing the grounds on which such decision is founded and may award such cost as it deems fit.

(8) The High Court may determine any issue which —

(a) has not been determined by the Appellate Tribunal; or

(b) has been wrongly determined by the Appellate Tribunal, by reason of a decision on the question of law referred to in sub-section (1).

(9) The provisions of the Code of Civil Procedure, 1908, relating to appeals to the High Court shall, so far as may be, apply in the case of appeals under this section. 5 of 1908.

(10) When the High Court delivers a judgment in an appeal filed before it under sub-section (7), effect shall be given to the order passed on the appeal by the Assessing Officer on the basis of a certified copy of the judgment.

Case before
High Court to
be heard by
not less than
two Judges.

20. (1) An appeal filed before the High Court shall be heard by a Bench of not less than two Judges of the High Court and shall be decided in accordance with the opinion of such Judges or if the Bench is of more than two Judges, by the majority of such Judges.

(2) Where there is no such majority, the Judges shall state the point of law upon which they differ and the case shall then be heard upon that point only by one or more of the other Judges of the High Court and such point shall be decided according to the opinion of the majority of the Judges who have heard the case including those who first heard it.

Appeal to
Supreme Court.

21. An appeal shall lie to the Supreme Court from any judgment of the High Court delivered under section 19 which the High Court certifies to be a fit case for appeal to the Supreme Court.

Hearing
before
Supreme
Court.

22. (1) The provisions of the Code of Civil Procedure, 1908, relating to appeals to the Supreme Court shall, so far as may be, apply in the case of appeals under section 21 as they apply in the case of appeals from decrees of a High Court. 5 of 1908.

(2) The costs of the appeal shall be in the discretion of the Supreme Court.

(3) Where the judgment of the High Court is varied or reversed in the appeal, effect shall be given to the order of the Supreme Court in the manner provided in sub-section (10) of section 19.

Revision of
orders
prejudicial to
revenue.

23. (1) The Principal Commissioner or the Commissioner may, for the purposes of revising any order passed in any proceeding under this Act before any tax authority subordinate to him, call for and examine all available records relating thereto.

(2) The Principal Commissioner or the Commissioner may, after giving the assessee an opportunity of being heard, pass an order (hereinafter referred to as the revision order) as the circumstances of the case justify, if he is satisfied that the order sought to be revised is erroneous in so far as it is prejudicial to the interests of the revenue.

(3) The Principal Commissioner or the Commissioner may make, or cause to be made, such inquiry as he considers necessary for the purposes of passing an order under sub-section (2).

(4) The revision order passed by the Principal Commissioner or the Commissioner under sub-section (2) may have the effect of enhancing or modifying the assessment but shall not be an order cancelling the assessment and directing a fresh assessment.

(5) The power of the Principal Commissioner or the Commissioner under sub-section (2) for revising an order shall extend to such matters as have not been considered and decided in any appeal.

(6) No order under sub-section (2) shall be made after the expiry of a period of two years from the end of the financial year in which the order sought to be revised was passed.

(7) Notwithstanding anything in sub-section (6), an order in revision under this section may be passed at any time in respect of an order which has been passed in consequence of, or to give effect to, any finding or direction contained in an order of the Appellate Tribunal, the High Court or the Supreme Court.

(8) In computing the period of limitation under sub-section (6), the following shall not be included, namely:—

(a) the time taken in giving an opportunity to the assessee to be reheard under section 7; or

(b) any period during which any proceeding under this section is stayed by an order or injunction of any court.

(9) Without prejudice to the generality of the foregoing provisions, an order passed by a tax authority shall be deemed to be erroneous in so far as it is prejudicial to the interests of the revenue, if in the opinion of the Principal Commissioner or the Commissioner—

(a) the order is passed without making inquiries or verification which, should have been made; or

(b) the order has not been made in accordance with any order, direction or instruction issued by the Board; or

(c) the order has not been passed in accordance with any decision, prejudicial to the assessee, rendered by the jurisdictional High Court or the Supreme Court in the case of the assessee or any other person under this Act or the Income-tax Act.

(10) In this section, “record” shall include all records relating to any proceeding under this Act available at the time of examination by the Principal Commissioner or the Commissioner.

24. (1) The Principal Commissioner or the Commissioner may, either *suo motu* or on an application made by the assessee, for the purposes of revising any order passed by an authority subordinate to him, other than an order to which section 23 applies, call for and examine all available records relating thereto.

Revision of other orders.

(2) The Principal Commissioner or the Commissioner may pass an order, as he considers necessary, which is not prejudicial to the assessee.

(3) The power of the Principal Commissioner or the Commissioner under sub-section (2) to revise an order shall not extend to such order—

(a) against which an appeal has not been filed but the time for filing an appeal before the Commissioner (Appeals) has not expired;

(b) against which an appeal is pending before the Commissioner (Appeals); or

(c) which has been considered and decided in any appeal.

(4) The assessee shall make the application for revision of any order referred to in sub-section (1), within a period of one year from the date on which the order sought to be revised was communicated to him, or the date on which he otherwise came to know of it, whichever is earlier.

(5) The Principal Commissioner or the Commissioner may, if he is satisfied that the assessee was prevented by sufficient cause from making the application within the period of one year, admit an application made after the expiry of one year but before expiry of two years from the date referred to in sub-section (4).

(6) Every application by an assessee for revision under this section shall be accompanied by such fees as may be prescribed.

(7) No order under sub-section (2) shall be made after the expiry of—

(a) a period of one year from the end of the financial year in which an application is made by the assessee under sub-section (4); or

(b) a period of one year from the date of the order sought to be revised, if the order is revised *suo motu* by the Commissioner.

(8) In computing the period of limitation under sub-section (7), the following shall not be included, namely:—

(a) the time taken in giving an opportunity to the assessee to be reheard under section 7; or

(b) any period during which any proceeding under this section is stayed by an order or injunction of any court.

(9) An order by the Principal Commissioner or the Commissioner declining to interfere shall, for the purposes of this section, be deemed not to be an order prejudicial to the assessee.

Tax to be paid pending appeal. **25.** Notwithstanding any appeal preferred to the High Court or the Supreme Court, the tax shall be paid in accordance with the assessment made under this Act.

Execution of order for costs awarded by Supreme Court. **26.** The High Court may, on petition made for the execution of the order in respect of the costs awarded by the Supreme Court, transmit such order for execution to any court subordinate to it.

Amendment of assessment on appeal. **27.** Where as a result of an appeal under section 15 or section 18, any change is made in the assessment of a body of individuals or an association of persons or an order for new assessment of a body of individuals or an association of persons is made, the Commissioner (Appeals) or the Appellate Tribunal, as the case may be, shall pass an order authorising the Assessing Officer either to amend the assessment made or make a fresh assessment on any member of the body or association.

Exclusion of time taken for obtaining copy. **28.** In computing the period of limitation prescribed for an appeal under this Act, the day on which the notice of the order was served upon the assessee without serving a copy of the order, the time taken for obtaining a copy of such order, shall be excluded.

Filing of appeal by tax authority. **29. (1)** The Board may, from time to time, issue orders, instructions or directions to other tax authorities, fixing such monetary limits as it may deem fit, for the purpose of regulating the filing of appeal by any tax authority under this Chapter.

(2) Where, in pursuance of the orders, instructions or directions issued under sub-section (1), a tax authority has not filed any appeal on any issue in the case of an assessee for any financial year, it shall not preclude such authority from filing an appeal on the same issue in the case of—

(a) the same assessee for any other financial year; or

(b) any other assessee for the same or any other financial year.

(3) Notwithstanding that no appeal has been filed by a tax authority pursuant to the orders or instructions or directions issued under sub-section (1), it shall not be lawful for an assessee, being a party in any appeal, to contend that the tax authority has acquiesced in the decision on the disputed issue by not filing an appeal in any case.

(4) The Appellate Tribunal, hearing such appeal, shall have regard to the orders, instructions or directions issued under sub-section (1) and the circumstances under which such appeal was filed or not filed in respect of any case.

(5) Every order, instruction or direction which has been issued by the Board fixing monetary limits for filing an appeal shall be deemed to have been issued under sub-section (1) and the provisions of sub-sections (2), (3) and (4) shall apply accordingly.

30. (1) Any amount specified as payable in a notice of demand under section 13 shall be paid within a period of thirty days of the service of the notice, to the credit of the Central Government in such manner as may be prescribed.

Recovery of
tax dues by
Assessing
Officer.

(2) Where the Assessing Officer has any reason to believe that it will be detrimental to the interests of revenue, if the period of thirty days referred to in sub-section (1) is allowed, he may, with the previous approval of the Joint Commissioner, reduce such period as he deems fit.

(3) The Assessing Officer may, on an application made by the assessee, before the expiry of a period of thirty days or the period reduced under sub-section (2) or during the pendency of appeal with the Commissioner (Appeals), extend the time for payment, or allow payment by instalments, subject to such conditions as he may think fit to impose in the circumstances of the case.

(4) An assessee shall be deemed to be an assessee in default, if the tax arrear is not paid within the time allowed under sub-section (1) or the period reduced under sub-section (2) or extended under sub-section (3), as the case may be.

(5) Where an assessee defaults in paying any one of the instalments within the time fixed under sub-section (3), he shall be deemed to be an assessee in default in respect of the whole of the then outstanding amount.

(6) The Assessing Officer may, in a case where no certificate has been drawn up under section 31 by the Tax Recovery Officer, recover the amount in respect of which the assessee is in default, or is deemed to be in default, by any one or more of the modes provided in section 32.

(7) The Tax Recovery Officer shall be vested with the powers to recover the tax arrear on drawing up of a statement of tax arrear under section 31.

31. (1) The Tax Recovery Officer may draw up under his signature a statement of tax arrears of an assessee referred to in sub-section (4) or sub-section (5) of section 30, in such form, as may be prescribed (such statement hereafter in this Chapter referred to as "certificate").

Recovery of
tax dues by Tax
Recovery
Officer.

(2) The certificate under sub-section (1) shall stand amended from time to time consequent to any proceeding under this Act and the Tax Recovery Officer shall recover the amount so modified.

(3) The Tax Recovery Officer may rectify any mistake apparent from the record.

(4) The Tax Recovery Officer shall have the power to extend the time for payment, or allow payment by instalments, subject to such conditions as he may think fit to impose in the circumstances of the case.

(5) The Tax Recovery Officer shall proceed to recover from the assessee the amount specified in the certificate by one or more of the modes referred to in section 32 or in the Second Schedule to the Income-tax Act.

(6) It shall not be open to the assessee to dispute the correctness of any certificate drawn up by the Tax Recovery Officer on any ground whatsoever, but it shall be lawful for the Tax Recovery Officer to cancel the certificate if, for any reason, he thinks it necessary so to do.

32. (1) The Assessing Officer or the Tax Recovery Officer may require the employer of the assessee to deduct from any payment to the assessee such amount as is sufficient to meet the tax arrear from the assessee.

Modes of
recovery of tax
dues.

(2) Upon requisition under sub-section (1), the employer shall comply with the requisition and shall pay the sum so deducted to the credit of the Central Government in such manner as may be prescribed.

(3) Any part of the salary, exempt from attachment in execution of a decree of a civil court under section 60 of the Code of Civil Procedure, 1908, shall be exempt from any requisition made under sub-section (1). 5 of 1908.

(4) The Assessing Officer or the Tax Recovery Officer may, by notice in writing, require any debtor of the assessee to pay such amount, not exceeding the amount of debt, as is sufficient to meet the tax arrear of the assessee.

(5) Upon receipt of the notice under sub-section (4), the debtor shall comply with the requisition and shall pay the sum to the credit of the Central Government in such manner as may be prescribed within the time (not being before the debt becomes due to the assessee) specified in the notice.

(6) A copy of the notice issued under sub-section (4) shall be forwarded to the assessee at his last address known to the Assessing Officer or the Tax Recovery Officer and in the case of a joint account, to all the joint holders at their last addresses known to the Assessing Officer or the Tax Recovery Officer.

(7) It shall not be necessary for any pass book, deposit receipt, policy or any other document to be produced for the purpose of any entry, endorsement or the like being made before payment is made, notwithstanding any rule, practice or requirement to the contrary if the notice under sub-section (4) is issued to a post office, banking company, insurer or any other person.

(8) Any claim in respect of any property, in relation to which a notice under sub-section (4) has been issued, arising after the date of the notice, shall be void as against any demand contained in the notice.

(9) A person to whom a notice under sub-section (4) has been issued, shall not be required to pay the amount of tax arrear specified therein, or part thereof, if he objects to it by a statement on oath that the sum demanded, or any part thereof, is not due to the assessee or that he does not hold any money for, or on account of, the assessee.

(10) The person referred to in sub-section (9) shall be personally liable to the Assessing Officer or the Tax Recovery Officer, as the case may be, to the extent of his own liability to the assessee on the date of the notice, or to the extent of the liability of the assessee for any sum due under this Act, whichever is less, if it is discovered that the statement made by him was false in any respect.

(11) The Assessing Officer or the Tax Recovery Officer may amend or revoke any notice issued under sub-section (4) or extend the time for making any payment in pursuance of such notice.

(12) The Assessing Officer or the Tax Recovery Officer shall grant a receipt for any amount paid in compliance with a notice issued under sub-section (4), and the person so paying shall be fully discharged from his liability to the assessee to the extent of the amount so paid.

(13) Any person discharging any liability to the assessee after receipt of a notice under sub-section (4) shall be personally liable to the Assessing Officer or the Tax Recovery Officer to the extent of his own liability to the assessee so discharged or to the extent of the liability of the assessee for any sum due under this Act, whichever is less.

(14) The debtor to whom a notice under sub-section (4) is sent shall be deemed to be an assessee in default, if he fails to make such payment and further proceedings may be initiated against him for the realisation of the amount in the manner provided in this section and the Second Schedule to the Income-tax Act.

(15) The Assessing Officer or the Tax Recovery Officer may apply to the court, in whose custody there is money belonging to the assessee, for payment to him of the entire amount of such money or if it is more than the tax arrear, an amount sufficient to meet the tax arrear.

(16) The Assessing Officer or the Tax Recovery Officer shall effect the recovery of any tax arrear in the same manner as attachment, distraint and sale of any movable property under the Second Schedule to the Income-tax Act, if he is so authorised by the Principal Chief Commissioner or the Chief Commissioner, or the Principal Commissioner or the Commissioner, by general or special order.

(17) In this section,—

(a) “debtor”, in relation to an assessee, means,—

(i) any person from whom any money is due, or may become due, to the assessee; or

(ii) any person who holds, or may subsequently hold, any money for, or on account of, the assessee; or

(iii) any person who holds, or may subsequently hold, any money for, or on account of, the assessee jointly with any other person;

(b) shares of the joint holders in the account shall be presumed, until the contrary is proved, to be equal.

33. (1) The Tax Recovery Officer competent to take action under section 31 shall be the Tax Recovery Officer —

(a) within whose jurisdiction —

(i) the assessee carries on his business;

(ii) the principal place of business of the assessee is situate;

(iii) the assessee resides; or

(iv) any movable or immovable property of the assessee is situate; or

(b) who has been assigned jurisdiction under section 6.

(2) The Tax Recovery Officer, referred to in sub-section (1), may send a certificate, in such manner as may be prescribed, specifying the tax arrear to be recovered, to another Tax Recovery Officer within whose jurisdiction the assessee resides or has property, if the first-mentioned Tax Recovery Officer —

(a) is not able to recover the entire amount by sale of the property, movable or immovable, within his jurisdiction; or

(b) is of the opinion that, for the purpose of expediting, or securing, the recovery of the whole, or any part, of the amount under this Chapter, it is necessary to send such certificate.

(3) The second-mentioned Tax Recovery Officer shall, on receipt of the certificate, assume jurisdiction for recovery of the amount of tax arrear specified therein and proceed to recover the amount in accordance with the provisions of this Chapter.

34. (1) The liquidator shall inform the Assessing Officer, who has jurisdiction to assess the undisclosed foreign income and asset of the company, of his appointment within a period of thirty days of his becoming the liquidator.

(2) The Assessing Officer shall, within a period of three months from the date on which he receives the information, intimate to the liquidator the amount which, in his opinion, would be sufficient to provide for any tax arrears or any amount which is likely to become payable thereafter, by the company under this Act.

Tax Recovery Officer by whom recovery of tax dues is to be effected.

Recovery of tax dues in case of a company in liquidation.

(3) The liquidator—

(a) shall not part with any of the assets of the company, or the properties, in his custody until he has been intimated by the Assessing Officer under sub-section (2); and

(b) on being so intimated, shall set aside an amount equal to the amount intimated.

(4) Upon receipt of the intimation from the Assessing Officer under sub-section (2), the amount so intimated shall, notwithstanding anything in any other law for the time being in force, be the first charge on the assets of the company remaining after payment of the following dues, namely:—

(a) workmen's dues; and

(b) debts due to secured creditors to the extent such debts under clause (iii) of the proviso to sub-section (1) of section 325 of the Companies Act, 2013 are *pari passu* with such dues. 18 of 2013.

(5) The liquidator shall be personally liable for the payment of the amount payable by the company, if he—

(a) fails to inform in accordance with sub-section (1); or

(b) fails to set aside the amount as required by sub-section (3).

(6) The obligations and liabilities attached to the liquidator under this section shall attach to all the liquidators jointly and severally in a case where there is more than one liquidator.

(7) The provisions of this section shall prevail over anything to the contrary contained in any other law for the time being in force.

(8) In this section,—

(a) “liquidator” in relation to a company which is being wound up, whether under the orders of a court or otherwise, shall include a receiver of the assets of the company;

(b) “workmen's dues” shall have the meaning assigned to it in section 325 of the Companies Act, 2013. 18 of 2013.

Liability of
manager of a
company.

35. (1) Every person being a manager at any time during the financial year shall be jointly and severally liable for the payment of any amount due under this Act in respect of the company for the financial year, if the amount cannot be recovered from the company.

(2) The provisions of sub-section (1) shall not apply, if the manager proves that non-recovery cannot be attributed to any neglect, misfeasance or breach of duty on his part in relation to the affairs of the company.

(3) The provisions of this section shall prevail over anything to the contrary contained in the Companies Act, 2013. 18 of 2013.

(4) In this section, “manager” shall include a managing director and both shall have the meaning respectively assigned to them in clause (53) and clause (54) of section 2 of the Companies Act, 2013. 18 of 2013.

36. (1) Every person, being a participant in an unincorporated body at any time during the financial year, or the representative assessee of the deceased participant, shall be jointly and severally liable, along with the unincorporated body, for payment of any amount payable by the unincorporated body under this Act and all the provisions of this Act shall apply accordingly.

Joint and several liability of participants.

(2) In case of a limited liability partnership, the provisions of sub-section (1) shall not apply, if the partner proves that non-recovery cannot be attributed to any neglect, misfeasance or breach of duty on his part in relation to the affairs of the partnership.

(3) The provisions of this section shall prevail over anything to the contrary contained in the Limited Liability Partnership Act, 2008.

6 of 2009.

37. If the recovery of tax in any area has been entrusted to a State Government under clause (1) of article 258 of the Constitution, the State Government may direct, with respect to that area or any part thereof, that tax shall be recovered therein with, and as an addition to, any municipal tax or local rate, by the same person and in the manner as the municipal tax or local rate is recovered.

Recovery through State Government.

38. (1) The Tax Recovery Officer may, in a case where an assessee has property in a country or a specified territory outside India, forward a certificate to the Board for recovery of the tax arrears from the assessee, where the Central Government or any specified association in India has entered into an agreement with that country or territory under section 90 or section 90A of the Income-tax Act or under sub-sections (1), (2) or sub-section (4) of section 73 of this Act, as the case may be, for the purposes of recovery of tax.

Recovery of tax dues in pursuance of agreements with foreign countries or specified territory.

(2) On receipt of the certificate under sub-section (3) from the Tax Recovery Officer, the Board may take such action thereon as it may deem appropriate having regard to the terms of the agreement with such country or a specified territory.

39. (1) The several modes of recovery specified in this Chapter shall not affect in any way—

Recovery by suit or under other law not affected.

(a) any other law for the time being in force relating to the recovery of debts due to the Government; or

(b) the right of the Government to institute a suit for the recovery of the tax arrears from the assessee.

(2) It shall be lawful for the Assessing Officer, or the Government, to have recourse to any such law or suit, notwithstanding that the tax arrears are being recovered from the assessee by any mode specified in this Chapter.

40. (1) Where the assessee has any income from a source outside India which has not been disclosed in the return of income furnished under sub-section (1) of section 139 of the Income-tax Act or the return of income has not been furnished under the said sub-section, interest shall be chargeable in accordance with the provisions of section 234A of the Income-tax Act.

Interest for default in furnishing return and payment or deferment of advance tax.

(2) Where the assessee has any undisclosed income from a source outside India and the advance tax on such income has not been paid in accordance with Part C of Chapter XVII of the Income-tax Act, interest shall be chargeable in accordance with the provisions of sections 234B and 234C of the Income-tax Act.

CHAPTER IV

PENALTIES

Penalty in relation to undisclosed foreign income and asset.

Penalty for failure to furnish return in relation to foreign income and asset.

Penalty for failure to furnish return of income, an information or furnish inaccurate particulars about an asset (including financial interest in any entity) located outside India.

Penalty for default in payment of tax arrear.

41. The Assessing Officer may direct that in a case where tax has been computed under section 10 in respect of undisclosed foreign income and asset, the assessee shall pay by way of penalty, in addition to tax, if any, payable by him, a sum equal to three times the tax computed under that section.

42. If a person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6 of the Income-tax Act, who is required to furnish a return of his income for any previous year, as required under sub-section (1) of section 139 of the Income-tax Act or by the provisos to that sub-section, and who at any time during such previous year,—

(i) held any asset (including financial interest in any entity) located outside India as a beneficial owner or otherwise; or

(ii) was a beneficiary of any asset (including financial interest in any entity) located outside India; or

(iii) had any income from a source located outside India,

and fails to furnish such return before the end of the relevant assessment year, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of ten lakh rupees:

Provided that this section shall not apply in respect of an asset, being one or more bank accounts having an aggregate balance which does not exceed a value equivalent to five hundred thousand rupees at any time during the previous year.

Explanation.— For determining the value equivalent in rupees of the balance in an account maintained in foreign currency, the rate of exchange for calculation of the value in rupees shall be the telegraphic transfer buying rate of such currency as on the date for which the value is to be determined as adopted by the State Bank of India constituted under the State Bank of India Act, 1955.

23 of 1955.

43. If any person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6 of the Income-tax Act, who has furnished the return of income for any previous year under sub-section (1) or sub-section (4) or sub-section (5) of section 139 of the said Act, fails to furnish any information or furnishes inaccurate particulars in such return relating to any asset (including financial interest in any entity) located outside India, held by him as a beneficial owner or otherwise, or in respect of which he was a beneficiary, or relating to any income from a source located outside India, at any time during such previous year, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of ten lakh rupees:

Provided that this section shall not apply in respect of an asset, being one or more bank accounts having an aggregate balance which does not exceed a value equivalent to five hundred thousand rupees at any time during the previous year.

Explanation.—The value equivalent in rupees shall be determined in the manner provided in the *Explanation* to section 42.

44. (1) Every person who is an assessee in default, or an assessee deemed to be in default, as the case may be, in making payment of tax, and in case of continuing default by such assessee, he shall be liable to a penalty of an amount, equal to the amount of tax arrear.

(2) An assessee shall not cease to be liable to any penalty under sub-section (1) merely by reason of the fact that before the levy of such penalty he has paid the tax.

45. (1) A person shall be liable to a penalty if he has, without reasonable cause, failed to—
- Penalty for other defaults.
- (a) answer any question put to him by a tax authority in the exercise of its powers under this Act;
 - (b) sign any statement made by him in the course of any proceedings under this Act which a tax authority may legally require him to sign;
 - (c) attend or produce books of account or documents at the place or time, if he is required to attend or to give evidence or produce books of account or other documents, at certain place and time in response to summons issued under section 8.
- (2) The penalty referred to in sub-section (1) shall be a sum which shall not be less than fifty thousand rupees but which may extend to two lakh rupees.
46. (1) The tax authority shall, for the purposes of imposing any penalty under this Chapter, issue a notice to an assessee requiring him to show cause why the penalty should not be imposed on him.
- Procedure.
- (2) The notice referred to in sub-section (1) shall be issued—
- (a) during the pendency of any proceedings under this Act for the relevant previous year, in respect of penalty referred to in section 41;
 - (b) within a period of three years from the end of the financial year in which the default is committed, in respect of penalties referred to in section 45.
- (3) No order imposing a penalty under this Chapter shall be made unless the assessee has been given an opportunity of being heard.
- (4) An order imposing a penalty under this Chapter shall be made with the approval of the Joint Commissioner, if—
- (a) the penalty exceeds one lakh rupees and the tax authority levying the penalty is in the rank of Income-tax Officer; or
 - (b) the penalty exceeds five lakh rupees and the tax authority levying the penalty is in the rank of Assistant Commissioner or Deputy Commissioner.
- (5) Every order of penalty issued under this Chapter shall be accompanied by a notice of demand in respect of the amount of penalty imposed and such notice of demand shall be deemed to be a notice under section 13.
47. (1) No order imposing a penalty under this Chapter shall be passed after the expiry of a period of one year from the end of the financial year in which the notice for imposition of penalty is issued under section 46.
- Bar of limitation for imposing penalty.
- (2) An order imposing, or dropping the proceedings for imposition of, penalty under this Chapter may be revised, or revived, as the case may be, on the basis of assessment of the undisclosed foreign income and asset as revised after giving effect to the order of the Commissioner (Appeals), the Appellate Tribunal, the High Court or the Supreme Court or order of revision under section 23 or section 24.
- (3) An order revising or reviving the penalty under sub-section (2) shall not be passed after the expiry of a period of six months from the end of the month in which order of the Commissioner (Appeals), the Appellate Tribunal, the High Court or the Supreme Court is received by the Principal Chief Commissioner or the Chief Commissioner or the Principal Commissioner or the Commissioner or the order of revision under section 23 or section 24 is passed.
- (4) In computing the period of limitation for the purposes of this section, the following time or period shall not be included—

(a) the time taken in giving an opportunity to the assessee to be reheard under section 7; and

(b) any period during which a proceeding under this Chapter for the levy of penalty is stayed by an order, or injunction, of any court.

CHAPTER V

OFFENCES AND PROSECUTIONS

Chapter not in derogation of any other law or any other provision of this Act.

48. (1) The provisions of this Chapter shall be in addition to, and not in derogation of, the provisions of any other law providing for prosecution for offences thereunder.

(2) The provisions of this Chapter shall be independent of any order under this Act that may be made, or has not been made, on any person and it shall be no defence that the order has not been made on account of time limitation or for any other reason.

Punishment for failure to furnish return in relation to foreign income and asset.

49. If a person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6 of the Income-tax Act, who at any time during the previous year, held any asset (including financial interest in any entity) located outside India as a beneficial owner or otherwise, or was a beneficiary of such asset or had income from a source outside India and wilfully fails to furnish in due time the return of income which he is required to furnish under sub-section (1) of section 139 of that Act, he shall be punishable with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine:

Provided that a person shall not be proceeded against under this section for failure to furnish in due time the return of income under sub-section (1) of section 139 of the Income-tax Act if the return is furnished by him before the expiry of the assessment year.

Punishment for failure to furnish in return of income, any information about an asset (including financial interest in any entity) located outside India.

50. If any person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6 of the Income-tax Act, who has furnished the return of income for any previous year under sub-section (1) or sub-section (4) or sub-section (5) of section 139 of that Act, wilfully fails to furnish in such return any information relating to an asset (including financial interest in any entity) located outside India, held by him, as a beneficial owner or otherwise or in which he was a beneficiary, at any time during such previous year, or disclose any income from a source outside India, he shall be punishable with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine.

Punishment for wilful attempt to evade tax.

51. (1) If a person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6 of the Income-tax Act, wilfully attempts in any manner whatsoever to evade any tax, penalty or interest chargeable or imposable under this Act, he shall be punishable with rigorous imprisonment for a term which shall not be less than three years but which may extend to ten years and with fine.

(2) If a person wilfully attempts in any manner whatsoever to evade the payment of any tax, penalty or interest under this Act, he shall, without prejudice to any penalty that may be imposable on him under any other provision of this Act, be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and shall, in the discretion of the court, also be liable to fine.

(3) For the purposes of this section, a wilful attempt to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof shall include a case where any person—

(i) has in his possession or control any books of account or other documents (being books of account or other documents relevant to any proceeding under this Act) containing a false entry or statement; or

(ii) makes or causes to be made any false entry or statement in such books of account or other documents; or

(iii) wilfully omits or causes to be omitted any relevant entry or statement in such books of account or other documents; or

(iv) causes any other circumstance to exist which will have the effect of enabling such person to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof.

52. If a person, makes a statement in any verification under this Act or under any rule made thereunder, or delivers an account or statement which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be punishable with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine.

Punishment
for false
statement in
verification.

53. If a person abets or induces in any manner another person to make and deliver an account or a statement or declaration relating to tax payable under this Act which is false and which he either knows to be false or does not believe to be true or to commit an offence under sub-section (1) of section 51, he shall be punishable with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine.

Punishment
for abetment.

54. (1) In any prosecution for any offence under this Act which requires a culpable mental state on the part of the accused, the court shall presume the existence of such mental state but it shall be a defence for the accused to prove the fact that he had no such mental state with respect to the act charged as an offence in that prosecution.

Presumption
as to culpable
mental state.

Explanation.—In this sub-section, “culpable mental state” includes intention, motive or knowledge of a fact or belief in, or reason to believe, a fact.

(2) For the purposes of this section, a fact is said to be proved only when the court believes it to exist beyond reasonable doubt and not merely when its existence is established by a preponderance of probability.

55. (1) A person shall not be proceeded against for an offence under section 49 to section 53 (both inclusive) except with the sanction of the Principal Commissioner or Commissioner or the Commissioner (Appeals), as the case may be.

Prosecution
to be at
instance
of Principal
Chief
Commissioner
or Chief
Commissioner
or Principal
Commissioner
or
Commissioner.

(2) The Principal Chief Commissioner or the Chief Commissioner may issue such instructions, or directions, to the tax authorities referred to in sub-section (1) as he may think fit for the institution of proceedings under this section.

(3) The power of the Board to issue orders, instructions or directions under this Act shall include the power to issue orders, instructions or directions (including instructions or directions to obtain its previous approval) to other tax authorities for the proper initiation of proceedings of offences (including an authorisation to file and pursue complaints by one or more Inspectors of tax) under this section.

56. (1) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

Offences by
companies.

(2) Nothing in sub-section (1) shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(3) Notwithstanding anything in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director,

manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

(4) Where an offence under this Act has been committed by a person, being a company, and the punishment for such offence is imprisonment and fine, then, without prejudice to sub-section (1) or sub-section (3), such company shall be punished with fine and every person, referred to in sub-section (1), or the director, manager, secretary or other officer of the company referred to in sub-section (3), shall be liable to be proceeded against and punished in accordance with the provisions of this Act.

(5) In this section—

(a) “company” means a body corporate, and includes —

- (i) an unincorporated body;
- (ii) a Hindu undivided family;

(b) “director”, in relation to —

- (i) an unincorporated body, means a participant in the body;
- (ii) a Hindu undivided family, means an adult member of the family; and
- (iii) a company, means a whole-time director, or where there is no such director, any other director or manager or officer, who is in charge of the affairs of the company.

Proof of entries in records or documents.

57. (1) The entries in the records, or other documents, in the custody of a tax authority shall be admitted in evidence in any proceeding for the prosecution of any person for an offence under this Chapter.

(2) The entries referred to in sub-section (1) may be proved by the production of—

- (a) the records or other documents (containing such entries) in the custody of the tax authority; or
- (b) a copy of the entries certified by that authority under its signature, as true copy of the original entries contained in the records or other documents in its custody.

Punishment for second and subsequent offences.

58. If any person convicted of an offence under section 49 to section 53 (both inclusive) is again convicted of an offence under any of the aforesaid provisions, he shall be punishable for the second and every subsequent offence with rigorous imprisonment for a term which shall not be less than three years, but which may extend to ten years and with fine which shall not be less than five lakh rupees, but which may extend to one crore rupees.

CHAPTER VI

TAX COMPLIANCE FOR UNDISCLOSED FOREIGN INCOME AND ASSETS

Declaration of undisclosed foreign asset.

59. Subject to the provisions of this Chapter, any person may make, on or after the date of commencement of this Act but on or before a date to be notified by the Central Government in the Official Gazette, a declaration in respect of any undisclosed asset located outside India and acquired from income chargeable to tax under the Income-tax Act for any assessment year prior to the assessment year beginning on 1st day of April, 2016—

- (a) for which he has failed to furnish a return under section 139 of the Income-tax Act;
- (b) which he has failed to disclose in a return of income furnished by him under the Income-tax Act before the date of commencement of this Act;

(c) which has escaped assessment by reason of the omission or failure on the part of such person to make a return under the Income-tax Act or to disclose fully and truly all material facts necessary for the assessment or otherwise.

60. Notwithstanding anything contained in the Income-tax Act or in any Finance Act, the undisclosed asset located outside India and declared under section 59 within the time specified therein shall be chargeable to tax at the rate of thirty per cent. of value of such undisclosed asset on the date of commencement of this Act. Charge of tax.

61. Notwithstanding anything contained in the Income-tax Act or in any Finance Act, the person making a declaration of undisclosed asset located outside India shall, in addition to tax charged under section 60, be liable to penalty at the rate of one hundred per cent. of such tax. Penalty.

62. (1) A declaration under section 59 shall be made to the Principal Commissioner or the Commissioner and shall be in such form and shall be verified in such manner as may be prescribed. Manner of declaration.

(2) The declaration shall be signed,—

(i) where the declarant is an individual, by the individual himself; where such individual is absent from India, by the individual concerned or by some person duly authorised by him in this behalf; and where the individual is mentally incapacitated from attending to his affairs, by his guardian or by any other person competent to act on his behalf;

(ii) where the declarant is a Hindu undivided family, by the *karta*, and where the *karta* is absent from India or is mentally incapacitated from attending to his affairs, by any other adult member of such family;

(iii) where the declarant is a company, by the managing director thereof, or where for any unavoidable reason such managing director is not able to sign the declaration or where there is no managing director, by any director thereof;

(iv) where the declarant is a firm, by the managing partner thereof, or where for any unavoidable reason such managing partner is not able to sign the declaration, or where there is no managing partner as such, by any partner thereof, not being a minor;

(v) where the declarant is any other association, by any member of the association or the principal officer thereof; and

(vi) where the declarant is any other person, by that person or by some other person competent to act on his behalf.

(3) Any person, who has made a declaration under sub-section (1) in respect of his asset or as a representative assessee in respect of the asset of any other person, shall not be entitled to make any other declaration, under that sub-section in respect of his asset or the asset of such other person, and any such other declaration, if made, shall be deemed to be void.

63. (1) The tax payable under section 60 and penalty payable under section 61 in respect of the undisclosed asset located outside India, shall be paid on or before a date to be notified by the Central Government in the Official Gazette. Time for payment of tax.

(2) The declarant shall file the proof of payment of tax and penalty on or before the date notified under sub-section (1), with the Principal Commissioner or the Commissioner before whom the declaration under section 59 was made.

(3) If the declarant fails to pay the tax in respect of the declaration made under section 59 on or before the date notified under sub-section (1), the declaration filed by him shall be deemed never to have been made under this Chapter.

Undisclosed foreign asset declared not to be included in total income.

64. The amount of undisclosed investment in an asset located outside India declared in accordance with section 59 shall not be included in the total income of the declarant for any assessment year under the Income-tax Act, if the declarant makes the payment of tax referred to in section 60 and the penalty referred to in section 61 by the date notified under sub-section (I) of section 63.

Undisclosed foreign asset declared not to affect finality of completed assessments.

65. The declarant shall not be entitled, in respect of undisclosed asset located outside India declared or any amount of tax paid thereon, to reopen any assessment or reassessment made under the Income-tax Act or the Wealth-tax Act, 1957 or claim any set off or relief in any appeal, reference or other proceeding in relation to any such assessment or reassessment.

27 of 1957.

Tax in respect of voluntarily disclosed asset not refundable.

66. Any amount of tax paid under section 60 or penalty paid under section 61 in pursuance of a declaration made under section 59 shall not be refundable.

Declaration not admissible in evidence against declarant.

67. Notwithstanding anything contained in any other law for the time being in force, nothing contained in any declaration made under section 59 shall be admissible in evidence against the declarant for the purpose of any proceeding relating to imposition of penalty, other than the penalty leviable under section 61, or for the purposes of prosecution under the Income-tax Act or the Wealth-tax Act, 1957 or the Foreign Exchange Management Act, 1999 or the Companies Act, 2013 or the Customs Act, 1962.

27 of 1957.
42 of 1999.
18 of 2013.
52 of 1962.

Declaration by misrepresentation of facts to be void.

68. Notwithstanding anything contained in this Chapter, where a declaration has been made by misrepresentation or suppression of facts, such declaration shall be void and shall be deemed never to have been made under this Chapter.

Exemption from wealth-tax in respect of assets specified in declaration.

69. (I) Where the undisclosed asset located outside India is represented by cash (including bank deposits), bullion or any other assets specified in the declaration made under section 59—

(a) in respect of which the declarant has failed to furnish a return under section 14 of the Wealth-tax Act, 1957 for the assessment year commencing on or before the 1st day of April, 2015; or

27 of 1957.

(b) which have not been shown in the return of net wealth furnished by him for the said assessment year or years; or

(c) which have been understated in value in the return of net wealth furnished by him for the said assessment year or years,

then, notwithstanding anything contained in the Wealth-tax Act, 1957 or any rules made thereunder,—

27 of 1957.

(I) wealth-tax shall not be payable by the declarant in respect of the assets referred to in clause (a) or clause (b) and such assets shall not be included in his net wealth for the said assessment year or years;

(II) the amount by which the value of the assets referred to in clause (c) has been understated in the return of net wealth for the said assessment year or years, to the extent such amount does not exceed the voluntarily disclosed income utilised for acquiring such assets, shall not be taken into account in computing the net wealth of the declarant for the said assessment year or years.

Explanation.—Where a declaration under section 59 is made by a firm, the assets referred to in clause (I) or, as the case may be, the amount referred to in clause (II) shall not be taken into account in computing the net wealth of any partner of the firm or, as the case may be, in determining the value of the interest of any partner in the firm.

(2) The provisions of sub-section (1) shall not apply unless the conditions specified in sub-sections (1) and (2) of section 63 are fulfilled by the declarant.

27 of 1957. **70.** The provisions of Chapter XV of the Income-tax Act relating to liability in special cases and of section 189 of that Act or of Chapter V of the Wealth-tax Act, 1957 relating to liability to assessment in special cases shall, so far as may be, apply in relation to proceedings under this Chapter as they apply in relation to proceedings under the Income-tax Act or, as the case may be, the Wealth-tax Act.

Applicability of certain provisions of Income-tax Act and of Chapter V of Wealth-tax Act.

71. The provisions of this Chapter shall not apply—

Chapter not to apply to certain persons.

52 of 1974. (a) to any person in respect of whom an order of detention has been made under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974:

Provided that—

(i) such order of detention, being an order to which the provisions of section 9 or section 12A of the said Act do not apply, has not been revoked on the report of the Advisory Board under section 8 of the said Act or before the receipt of the report of the Advisory Board; or

(ii) such order of detention, being an order to which the provisions of section 9 of the said Act apply, has not been revoked before the expiry of the time for, or on the basis of, the review under sub-section (3) of section 9, or on the report of the Advisory Board under section 8, read with sub-section (2) of section 9, of the said Act; or

(iii) such order of detention, being an order to which the provisions of section 12A of the said Act apply, has not been revoked before the expiry of the time for, or on the basis of, the first review under sub-section (3) of that section, or on the basis of the report of the Advisory Board under section 8, read with sub-section (6) of section 12A, of the said Act; or

(iv) such order of detention has not been set aside by a court of competent jurisdiction;

45 of 1860.
61 of 1985.
37 of 1967.
49 of 1988. (b) in relation to prosecution for any offence punishable under Chapter IX or Chapter XVII of the Indian Penal Code, the Narcotic Drugs and Psychotropic Substances Act, 1985, the Unlawful Activities (Prevention) Act, 1967, the Prevention of Corruption Act, 1988;

27 of 1992. (c) to any person notified under section 3 of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992.

(d) in relation to any undisclosed asset located outside India which has been acquired from income chargeable to tax under the Income-tax Act for any previous year relevant to an assessment year prior to the assessment year beginning on the 1st day of April, 2016—

(i) where a notice under section 142 or sub-section (2) of section 143 or section 148 or section 153A or section 153C of the Income-tax Act has been issued in respect of such assessment year and the proceeding is pending before the Assessing Officer; or

(ii) where a search has been conducted under section 132 or requisition has been made under section 132A or a survey has been carried out under section 133A of the Income-tax Act in a previous year and a notice under sub-section (2) of section 143 for the assessment year relevant to such previous year or a notice under section 153A or under section 153C of the said Act for an

assessment year relevant to any previous year prior to such previous year has not been issued and the time for issuance of such notice has not expired; or

(iii) where any information has been received by the competent authority under an agreement entered into by the Central Government under section 90 or section 90A of the Income-tax Act in respect of such undisclosed asset.

Explanation.—For the purpose of this sub-clause asset shall include a bank account whether having any balance or not.

Removal of doubts.

72. For the removal of doubts, it is hereby declared that—

(a) save as otherwise expressly provided in the *Explanation* to sub-section (1) of section 69, nothing contained in this Chapter shall be construed as conferring any benefit, concession or immunity on any person other than the person making the declaration under this Chapter;

(b) where any declaration has been made under section 59 but no tax and penalty has been paid within the time specified under section 60 and section 61, the value of such asset shall be chargeable to tax under this Act in the previous year in which such declaration is made;

(c) where any asset has been acquired or made prior to commencement of this Act, and no declaration in respect of such asset is made under this Chapter, such asset shall be deemed to have been acquired or made in the year in which a notice under section 10 is issued by the Assessing Officer and the provisions of this Act shall apply accordingly.

CHAPTER VII

GENERAL PROVISIONS

Agreement with foreign countries or specified territories.

73. (1) The Central Government may enter into an agreement with the Government of any other country—

(a) for exchange of information for the prevention of evasion or avoidance of tax on undisclosed foreign income chargeable under this Act or under the corresponding law in force in that country, or investigation of cases of such evasion or avoidance;

(b) for recovery of tax under this Act and under the corresponding law in force in that country.

(2) The Central Government may enter into an agreement with the Government of any specified territory outside India for the purposes specified in sub-section (1).

(3) The Central Government may, by notification, make such provisions as may be necessary for implementing the agreements referred to in sub-sections (1) and (2).

(4) Any specified association in India may enter into an agreement with any specified association in the specified territory outside India for the purposes of sub-section (1) and the Central Government may by notification make such provisions as may be necessary for adopting and implementing such agreement.

(5) Any term used but not defined in this Act or in the agreement referred to in sub-sections (1), (2) or sub-section (4) shall, unless the context otherwise requires, and is not inconsistent with the provisions of this Act or the agreement, have the meaning assigned to it in the notification issued by the Central Government and such meaning shall be deemed to have effect from the date on which the said agreement came into force.

74. (1) The service of any notice, summons, requisition, order or any other communication under this Act (herein referred to in this section as "communication") may be made by delivering or transmitting a copy thereof, to the person named therein,—

Service of
notice
generally.

(a) by post or by such courier service as may be approved by the Board;

5 of 1908.

(b) in such manner as provided under the Code of Civil Procedure, 1908 for the purposes of service of summons;

21 of 2000.

(c) in the form of any electronic record as provided in Chapter IV of the Information Technology Act, 2000; or

(d) by any other means of transmission of documents, including fax message or electronic mail message, as may be prescribed.

(2) The Board may make rules providing for the addresses including the address for electronic mail or electronic mail message to which the communication referred to in sub-section (1) may be delivered or transmitted to the person named therein.

(3) In this section, the expressions "electronic mail" and "electronic mail message" shall have the same meanings as assigned to them in the *Explanation* to section 66A of the Information Technology Act, 2000.

21 of 2000.

75. (1) A notice or any other document required to be issued, served or given for the purposes of this Act by any tax authority shall be authenticated by that authority.

Authentication
of notices and
other
documents.

(2) Every notice or other document to be issued, served or given for the purposes of this Act by any tax authority shall be deemed to be authenticated, if the name and office of a designated tax authority is printed, stamped or otherwise written thereon.

(3) In this section, a designated tax authority shall mean any tax authority authorised by the Board to issue, serve or give such notice or other document after authentication in the manner as provided in sub-section (2).

76. (1) A notice which is required to be served upon a person for the purposes of assessment under this Act shall be deemed to have been duly served upon him in accordance with the provisions of this Act, if the person has appeared in any proceeding or co-operated in any inquiry relating to an assessment.

Notice
deemed to be
valid in
certain
circumstances.

(2) The person, referred to in sub-section (1), shall be precluded from taking any objection in any proceeding or inquiry under this Act that the notice was—

(a) not served upon him;

(b) not served upon him in time; or

(c) served upon him in an improper manner.

(3) The provisions of this section shall not apply, if the person has raised the objection before the completion of the assessment.

77. (1) Any assessee who is entitled or required to attend before any tax authority or the Appellate Tribunal, in connection with any matter relating to the valuation of any asset, may attend through a valuer approved by the Principal Commissioner or the Commissioner in accordance with such rules as may be prescribed.

Appearance
by approved
valuer in
certain
matters.

(2) The provisions of sub-section (1) shall not apply in a case where the assessee is required to attend personally for examination on oath or affirmation under section 8.

Appearance
by authorised
representative.

78. (1) Any assessee who is entitled or required to attend before any tax authority or the Appellate Tribunal, in connection with any proceeding under this Act, may attend through an authorised representative.

(2) The provisions of sub-section (1) shall not apply in a case where the assessee is required to attend personally for examination on oath or affirmation under section 8.

(3) In this section, "authorised representative" means a person authorised by the assessee in writing to appear on his behalf, being—

(a) a person related to the assessee in any manner, or a person regularly employed by the assessee;

(b) any officer of a scheduled bank with which the assessee maintains a current account or has other regular dealings;

(c) any legal practitioner who is entitled to practice in any civil court in India;

(d) an accountant;

(e) any person who has passed any accountancy examination recognised in this behalf by the Board; or

(f) any person who has acquired such educational qualifications as may be prescribed.

(4) The following persons shall not be qualified to represent an assessee under sub-section (1), namely:—

(a) a person who has been dismissed or removed from Government service;

(b) a legal practitioner, or an accountant, who is found guilty of misconduct in his professional capacity by any authority entitled to institute disciplinary proceedings against him;

(c) a person, not being a legal practitioner or an accountant, who is found guilty of misconduct in any tax proceedings by such authority as may be prescribed.

(5) The Principal Chief Commissioner or the Chief Commissioner may, by an order in writing, specify the period upto which the disqualification under sub-section (4) shall continue, having regard to the nature of misconduct and such disqualification shall not exceed—

(i) in case of clauses (a) and (c) of sub-section (4), a period of ten years;

(ii) in case of clause (b) of sub-section (4), the period for which the legal practitioner or an accountant is not entitled to practice.

(6) A person shall not be allowed to appear as an authorised representative, if he has committed any fraud or misrepresented the facts which resulted in loss to the revenue and that person has been declared as such by an order of the Principal Chief Commissioner or the Chief Commissioner.

Explanation.—In this section, "accountant" means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 who holds a valid certificate of practice under sub-section (1) of section 6 of that Act.

38 of 1949.

Rounding off
of income,
value of asset
and tax.

79. (1) The amount of undisclosed foreign income and asset computed in accordance with this Act shall be rounded off to the nearest multiple of one hundred rupees.

(2) Any amount payable or receivable by the assessee under this Act shall be rounded off to the nearest multiple of ten rupees.

(3) The method of rounding off under sub-section (1) or sub-section (2), shall be such as may be prescribed.

80. No court inferior to that of a metropolitan magistrate or a magistrate of the First Class shall try any offence under this Act.	Cognizance of offences.
81. No assessment, notice, summons or other proceedings, made or issued or taken or purported to have been made or issued or taken in pursuance of any of the provisions of this Act shall be invalid or shall be deemed to be invalid merely by reason of any mistake, defect or omission in such assessment, notice, summons or other proceeding if such assessment, notice, summons or other proceeding is in substance and effect in conformity with or according to the intent and purpose of this Act.	Assessment not to be invalid on certain grounds.
82. (1) No suit shall be brought in any civil court to set aside or modify any proceeding taken or order made under this Act.	Bar of suits in civil courts.
(2) No prosecution, suit or other proceeding shall lie against the Government or any officer of the Government, for anything in good faith done or intended to be done, under this Act.	
83. Notwithstanding anything contained in the Income-tax Act, all information contained in any statement or return made or furnished under the provisions of that Act or obtained or collected for the purposes of the said Act may be used for the purposes of this Act.	Income-tax papers to be available for purposes of this Act.
84. The provisions of clauses (c) and (d) of sub-section (1) of section 90, clauses (c) and (d) of sub-section (1) of section 90A, sections 119, 133, 134, 135, 138, Chapter XV and sections 237, 240, 245, 280, 280A, 280B, 280D, 281, 281B and 284 of the Income-tax Act shall apply with necessary modifications as if the said provisions refer to undisclosed foreign income and asset instead of to income-tax.	Application of provisions of Income-tax Act.
85. (1) The Board may, subject to the approval of the Central Government, by notification in the Official Gazette, make rules for carrying out the provisions of this Act.	Power to make rules.
(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—	
(a) the manner of determination of the value of an undisclosed foreign asset referred to in sub-section (2) of section 3;	
(b) the tax authority to be prescribed for any of the purposes of this Act;	
(c) the form and manner of service of a notice of demand under section 13;	
(d) the form in which any appeal, revision or cross-objection may be filed under this Act, the manner in which they may be verified and the fee payable in respect thereof;	
(e) the form in which the Tax Recovery Officer may draw up the statement of tax arrears under sub-section (1) of section 31;	
(f) the manner in which the sum is to be paid to the credit of Central Government under sub-section (2) or sub-section (5) of section 32;	
(g) the manner in which the Tax Recovery Officer shall send a certificate referred to in sub-section (2) of section 33;	
(h) the form in which a declaration referred to in sub-section (1) of section 62 is to be made and the manner in which it is to be verified;	
(i) the means of transmission of documents under clause (d) of sub-section (1) of section 74;	
(j) the procedure for approval of a valuer by the Principal Commissioner or the Commissioner under section 77;	

(k) the educational qualifications required, to be an authorised representative under clause (f) of sub-section (3) of section 78;

(l) the tax authority under clause (c) of sub-section (4) of section 78;

(m) the method of rounding off of the amount referred to in sub-section (1) or sub-section (2) of section 79;

(n) any other matter which by this Act is to be, or may be, prescribed.

(3) The power to make rules conferred by this section shall include the power to give retrospective effect to the rules or any of them from a date not earlier than the date of commencement of this Act and no retrospective effect shall be given to any rule so as to prejudicially affect the interest of assesses.

(4) The Central Government shall cause every rule made under this Act to be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Power to
remove
difficulties.

86. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, not inconsistent with the provisions of this Act, remove the difficulty :

Provided that no such order shall be made after the expiry of a period of two years from the date on which the provisions of this Act come into force.

(2) Every order made under this section shall be laid before each House of Parliament.

Amendment
of section 2
of Act 54 of
1963.

87. In section 2 of the Central Boards of Revenue Act, 1963, in sub-clause (1) of clause (c),—

(a) in item (vii), the word “and” occurring at the end shall be omitted; and

(b) after item (ix) as so amended, the following item shall be inserted, namely:—

“(x) the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015; and”

Amendment
of Act of 15
of 2003.

88. In the Prevention of Money-laundering Act, 2002, in the Schedule, in Part C, after entry (3), relating to the offences against property under Chapter XVII of the Indian Penal Code, the following entry shall be inserted, namely:—

“(4) The offence of wilful attempt to evade any tax, penalty or interest referred to in section 51 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.”.

45 of 1860.

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